

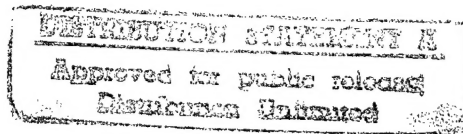
157095

JPRS-UCG-85-007

16 April 1985

USSR Report

CONSUMER GOODS AND DOMESTIC TRADE



DTIC QUALITY ASSURANCE

19980304 114

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service (NTIS), Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semimonthly by the NTIS, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

Soviet books and journal articles displaying a copyright notice are reproduced and sold by NTIS with permission of the copyright agency of the Soviet Union. Permission for further reproduction must be obtained from copyright owner.

16 April 1985

USSR REPORT

CONSUMER GOODS AND DOMESTIC TRADE

CONTENTS

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

Commodity Turnover Figures for January, February 1985 (SOVETSKAYA TORGOVLYA, 21 Mar 85)	1
Officials Reply to Consumers on Children's Footwear Shortage (SOTSIALISTICHESKAYA INDUSTRIYA, 2 Nov 84, 13 Feb 85) ..	2
Complaints Discussed, by B. Korneyev Corrective Action Reviewed	2 4
Inadequately Balanced Diet for Schoolchildren Criticized (I. Ovchinnikova; IZVESTIYA, 7 Feb 85)	6
Komsomol of Kazakhstan Aids Production of Children's Goods (M. Aybekov; NARODNOYE KHOZYAYSTVO KAZAKHSTANA, No 12, Dec 84)	10
Footwear for Elderly Lacks Variety, Quality Poor (O. Berezhnaya; KOMMERCHESKIY VESTNIK, No 23, Dec 84) ..	15

HOUSING AND PERSONAL SERVICES

Regulations for Exchange of Retail Goods Outlined (IZVESTIYA, 6 Feb 85)	22
Legal Considerations for Personal Services Explained (A. Yu. Kabalkin; IZVESTIYA, 14 Feb 85)	26
Paper Examines 'Inconveniences' in Personal Services (IZVESTIYA, 8 Feb 85)	31
Apartment Decorating Preferences in Leningrad Sought (V. Shilov; SOVETSKAYA ROSSIYA, 10 Jan 85)	36

CONSUMER SECTOR POLICY AND ECONOMICS

Ukrainian Trade Minister Cites Industry Growth (V. Starunskiy; KOMMERCHESKIY VESTNIK, No 24, Dec 84) ...	39
Economic Experiment Results for Light, Food Industries Analyzed (V. A. Rayevskiy; FINANSY SSSR, No 12, Dec 84)	45
Rutgayzer on Management by Objective in Services Sector (T. Koryagina; PLANOVOYE KHOZYAYSTVO, No 1, Jan 85)	58
Representatives of Food Enterprises on Ukrainian Experiment (N. Demikhovskiy, M. Zarayev; SEL'SKAYA ZHIZN', 21 Feb 85)	68
Flexible Price Fixing of Goods Improves Trade Services (V. Yershov; LITERATURNAYA GAZETA, 23 Jan 85)	73

FOOD PROCESSING AND DISTRIBUTION

Meat, Dairy Industry Deputy Minister on Cheese Production Plans (V. N. Sergeyev; MOLOCHNAYA PROMYSHLENNOST', No 1, Jan 85)	77
---	----

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

COMMODITY TURNOVER FIGURES FOR JANUARY, FEBRUARY 1985

Moscow SOVETSKAYA TORGOVLYA in Russian 21 Mar 85 p 1

[Article: "USSR Central Statistical Administration Reports"]

[Text] The commodity turnover of state and cooperative trade in January and February of 1985 totaled 49.7 billion rubles, including 13.8 billion rubles in consumer cooperatives' turnover.

The plan for the total volume of retail commodity turnover in January and February was underfulfilled. In comparison with January and February of 1984, the retail commodity turnover in January and February of 1985 rose in comparable prices by 1.7 percent.

The growth of commodity turnover in January and February 1985, compared to January and February of 1984, by union republics in comparable prices is characterized by the following data:

RSFSR	101.6	Moldavian SSR	101.4
Ukrainian SSR	100.6	Latvian SSR	101.8
Belorussian SSR	104.5	Kirghiz SSR	104.5
Uzbek SSR	102.1	Tajik SSR	104.2
Kazakh SSR	103.5	Armenian SSR	98.8
Georgian SSR	98.9	Turkmen SSR	105.4
Azerbaijan SSR	104.9	Estonian SSR	101.3
Lithuanian SSR	101.5		

CSO: 1827/124

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

OFFICIALS REPLY TO CONSUMERS ON CHILDREN'S FOOTWEAR SHORTAGE

Complaints Discussed

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 2 Nov 84 p 2

[B. Korneyev, RSFSR Ministry of Trade official, response to readers' letters: "How Can We Provide Footwear for the Children?"]

[Text] "All winter, spring and summer we have been running around in search of shoes sizes 34, 35, 36 and 37 for our children. Without result. There are no shoes, for boys or girls. No summer shoes, no winter shoes. We have also been unable to purchase sneakers [kedy] or sports shoes [krossovki].

This is the kind of letter that we have been receiving from N. Yevtikhova, V. Kocherezhkina, N. Ivashina and other inhabitants of Bryansk. Such letters are also arriving from other cities. Why is there a shortage of children's footwear?

We invited the chief of the RSFSR Ministry of Trade "Rosobuv'torg" Association, B. Korneyev, to respond to these letters.

Yes, the situation is alarming. And it is not only Bryansk where shortages of children's footwear exist. Why is this?

I have before me the accounting figures for the production of children's footwear in recent years. If we proceed from these accounts the picture is quite satisfactory. The production of these goods is increasing every year. In 1975 the republic's enterprises provided 124.5 million pairs of shoes, and last year the figure was 138 million. But alas! the entire increase was achieved thanks to house shoes. SOTSIALISTICHESKAYA INDUSTRIYA has already written about how slippers help the footwear producers. The situation is the same with children's footwear. Compared with 1975 the production of house slippers, which are unsuitable for outdoors, has almost doubled to 15 million pairs. At the same time the output of leather shoes, boots, sandals and high shoes [botinki] has declined by 4 million pairs.

There are also other reasons for the shortage of children's footwear, in particular the new state standards.

Previously children's footwear was made in 24 sizes. The new standard provides for the production of girls' footwear in 26 sizes and boys' in 28. In adopting this decision the workers in the USSR Ministry of Light Industry and the State Committee for Standards proceeded from today's requirements. Among today's fast growers the size of the feet is larger than children of the same age 20 years ago. But although the size is larger children's feet are narrower with a low arch. Accordingly a regular adult shoe is unsuitable for youngsters. But naturally, this proper decision also entailed certain adverse consequences. Since the larger sizes of children's shoes are twice as expensive but still figure as children's shoes as far as accounting is concerned, the enterprises would rather produce these. And they are making fewer small sizes. Because of this, last year alone the production of size 24 children's footwear was off 4.4 million pairs. We sustained even greater losses in 1980, 1981 and 1982. Finally it was decided that sizes 24.5 through 28 would not be included as part of the output counted as children's footwear. This should correct the situation.

It is also difficult to find footwear for those citizens just taking their first steps. The group of infant shoes has been expanded by adding sizes 13.5 and 14. But the total number has remained as before.

The new standard has not brought joy to children wearing sizes 13.5 and 14. Many of them have long since been walking about not only at home but also on the street. And they have nothing to wear when they go out. Infants' shoes can be made only with leather soles, which quickly soak through in wet weather. And boots and slippers made from cellular rubber--the "Malysh" type--in sizes 13.5 and 14 have been withdrawn from production. So two- and three-year-olds find themselves in an unenviable position.

We warned the union and republic ministries of light industry way back in 1982 about the future shortage, when children's footwear was in adequate supply. We asked for production to be increased to 142 million pairs in the RSFSR. But output on this scale for children's leather and textile footwear was only planned the next year. And, unfortunately, although we were quite confident that we would cope with production tasks, this did not happen. This year we have experienced a shortfall of about 1.4 million pairs of children's street shoes. This includes 645,000 pairs of box-calf shoes. The greatest underfulfillment of plans for box-calf footwear has been for children. The Leningrad Skorokhod Association has had a shortfall of more than 500,000 pairs of footwear, and the workers at the Krasnoyarsk, Kostroma, Kuybyshev and Gorkiy associations, more than 100,000 pairs.

The quality of output also concerns us. You still meet with rough, hard children's footwear and with major production defects. As a rule the reason is failure to observe production technology. Because of this our bases and stores have been forced to reject footwear and return it. Thus, at the Stavropol Kavkaz Association, this year of 1,162 pairs it has been necessary to reject or lower the grade of 735 pairs, or 64.8 percent, because of production defects and failure to meet model standards.

Much rejected output is being produced by workers at the Kuznetsk Factory, the Tatar Spartak Association, the Yaroslavl Skorokhod Association and the Kuybushev Association.

Taking into account the fact that many collectives are not fulfilling their plan for the production of children's footwear, the RSFSR Ministry of Light Industry has set the target of producing an additional 2.12 million pairs of box-calf footwear. However, many associations and enterprises are refusing to do this. The chief reason is the low profitability of such footwear.

Our wholesale enterprises are by no means always coping with their tasks. And there are objective reasons for this. They should build up stocks in good time and structure the product range so that as the season approaches they are ready to make uninterrupted deliveries. But at present the Gosbank credit system is such that many of our workers have developed a "fear of commodities." Thus, for example, workers at that same Bryansk base have year after year reduced the deliveries of some kinds of children's footwear. Why? Because since 1981 the footwear not sold during the season was regarded by the Gosbank as unmarketable and the trade enterprise was forced to pay dearly for this. It is hardly right to allow Gosbank workers to decide whether particular commodities are unmarketable. This is the prerogative of the trade workers.

One thing more. Children grow quickly and many do not even wear out their shoes. But it is unbelievably difficult to get a commission store to accept them. I think we need to organize special children's commission stores and evaluate the work of their collectives not by trade turnover but by the number of articles accepted and sold.

I think that all these measures would help in solving the problem of children's footwear.

Corrective Action Reviewed

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 13 Feb 85 p 2

[Unattributed report: "How Can We Provide Footwear for the Children?"]

[Text] In an article with the above title published on 2 November 1984 the chief of the RSFSR Ministry of Trade "Rosobuv'torg" Association B. Korneyev discussed the reasons for shortages of children's footwear.

Chief of the USSR Ministry of Light Industry Administration for Footwear, Leather and Leather Goods Industry V. Melikhov has reported that, having reviewed the article, the ministry notes the urgency of the matters dealt with in it. Each year the enterprises of the USSR Ministry of Light Industry produce about 42 percent of children's footwear while the RSFSR Ministry of Light Industry produces 45 percent of the total volume of footwear manufactured.

In the USSR Ministry of Light Industry they have reviewed the work of several of the RSFSR Ministry of Light Industry footwear enterprises, namely, the Lenin-grad Skorokhod, Krasnoyarsk, Kuybyshev, and Kalinin, Kostroma "X Oktyabrya" and Omsk associations, the Kirov Leather Footwear Combine imeni Lenin and others. Additional targets have been set for these enterprises to make up the lagging (including for children's box-calf footwear last year). At the same time the leadership of the RSFSR Ministry of Light Industry has been offered suggestions for taking steps to improve the quality of footwear produced by the Stavropol Kavkaz Association.

The general director of the Tatar Spartak Footwear Production Association G. Kiyamov writes that the article "How Can We Provide Footwear for the Children?" has been discussed at a meeting of engineering and technical workers at the association and in the shop collectives.

In order to eliminate the shortcomings technological discipline has been strengthened at each work place, and the quality control system is being improved; the makeup of the technical control section has been strengthened and courses have been organized for technical control inspectors to study the requirements of standards, and the inspectors are being certified; and every complaint is being discussed within the collective.

Last year 173 new models were introduced into production and the output of six kinds of children's footwear based on radically new designs was assimilated.

In order to extend the product range new equipment was introduced, two semi-automatic lines for the production of girls' shoes were updated, and a line to produce cellular rubber wedge heels was designed, fabricated and introduced by the workers.

As a result of the steps taken, complaints against the organization have declined.

In the 1985 plan provision has been made for the production of 75 new models, three new kinds of footwear in the children's range, and increased output of children's dress footwear of improved design.

The chief engineer at the Leningrad Skorokhod Footwear Association Yu. Alekseyev reports on what is being done at that enterprise to improve the product range and insure the plan for the production of children's footwear and footwear improvements. Last year more than 200 new models of children's footwear, about a dozen new styles, and four new kinds were introduced. New materials were brought into use and output of the "sports shoes" type of footwear [krossovki] was increased.

Using the results from a study of demand and taking into account the recommendations of the trade organizations the range of children's shoes enjoying limited demand has been withdrawn. These shoes are no longer being made at the association.

9642
CSO: 1827/105

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

INADEQUATELY BALANCED DIET FOR SCHOOLCHILDREN CRITICIZED

Moscow IZVESTIYA in Russian 7 Feb 85 p 3

[Article by I. Ovchinnikova in the column "Going Back to What Was Published":
"What and How a Schoolchild Should Be Fed? Reflections After the Conference"]

[Text] The question, presented as a headline, has already been heard on the pages of IZVESTIYA. It was raised with utmost urgency by a group of Kharkov scientists in August last year. Their letter, which was published under the same title, had aroused much response at that time. And so the collegiums of three union ministries--health, education and trade--as well as of the USSR State Committee for Vocational and Technical Education and the Tsentrosoyuz [Central Union of Consumer Societies] met in a session. The same question was on the agenda: What and how a schoolchild (and a student of the PTU [vocational and technical school]) should be fed.

There are a few conferences within my memory that have proceeded under such a fever pitch. Both the participants and guests realized quite clearly that the question was about a subject of utmost importance: the health of the people--this essentially became the subject of discussion. It was preceded by serious and thorough checking of the state of affairs. And what did that reveal?

In 1977, less than half of all schoolchildren were provided hot meals. In January 1985, approximately two-thirds. It would seem that growth was obvious. However, behind the average figures, which always appear reassuring, the picture was not very comforting. Let us say that in Moldavia the percentage of those receiving hot meals is close to 80 and in Azerbaijan to 60. A check of Yerevan vocational and technical schools has shown that two-thirds of children there are content with monetary compensation instead of meals. How convenient!

The situation is especially alarming in rural 8-year schools--there are no dining halls at all in many of them. But in places where they do exist, can children have a normal meal? Unfortunately, it is far from always. According to norm, there is supposed to be 250 seating places per 1,000 schoolchildren. What does this mean? It means that feeding of children has to begin right after the second lesson. Is it a wonder that the hot lunch, the same one of which there is not enough for every third schoolchild, turns out to be uneaten and is sent to the waste tank? After the fifth lesson there is a complete overload, a fraying of nerves in a dining hall. The children hastily swallow their food,

and those who are unable to cope with this task within the allotted time again leave half of their food on the plate. To prevent this from happening, it is necessary to have 350 or even better 500 seating places per 1,000 children.

But this problem is more of an organizational nature. There is another one--physicians are more concerned about it. Today, children get 14 percent of the daily requirement of calories for breakfast and 24 percent for lunch. It should be 20 and 30 percent respectively. Otherwise a child comes back from school hungry and eats his fill for the night, which is harmful in all respects. It is precisely in this gross violation of the regimen that medical workers see one of the causes as a result of which the number of children suffering from excessive weight has been growing year after year.

There is, of course, also another reason. The check has shown that in some places schoolchildren do not receive enough dairy products, meat, fish, greens, vegetables and fruits. The same products turned out to be listed by persons conducting the check as being among the "underinvested" ones. So the "underinvested" butter, cheese and meat are replaced with the so-called batch of baked goods, in plain words, rolls with very sweet tea.

There can be no serious talk under these conditions about dietary nourishment for those who really need it: it has been organized only in the Baltic republics. The reason is by no means because of a shortage of products. Representatives of the Ministry of Trade and the Central Union of Consumer Societies, who addressed the meeting, maintained that everything necessary will be always found for children. Then the sources of all troubles lie only and exclusively in careless attitude toward this work and organizational slovenliness.

It also manifests itself in solving problems connected with free feeding, which are not all that difficult. It is provided to some categories of children, and in some places in the rural area to all schoolchildren (kolkhoz management has a right to adopt an appropriate decision).

By the way, many rural schools cultivate many highest quality vegetables and fruits on their plots and fatten hogs and rabbits. I recall the Bashkatovskaya school in Mtsenskiy Rayon of Orlov Oblast, where I was treated to a simple meal from the children's table. Everything was fresh, tasty and, as they say, their own: sauerkraut, cucumbers and jam. Why cannot all of this be prepared for winter in every place where conditions for this exist? However, we have many letters in the editorial office whose authors complain: the school must turn over everything that it has raised, and then receive lunches from the obshchepit [public catering], which, of course, cannot always be compared to those prepared from own-products by the diligent hands of the school cook. Moreover, difficult calculations arise in this case, which by no means contribute to making the feeding of children cheaper.

Incidentally, about calculations. Educational workers complain with good reason that teachers have to collect money from schoolchildren for meals, which is an additional load and also does not exactly meet the requirements of ethics of their relations with students.

It is quite obvious that all problems connected with meals for schoolchildren will be repeatedly aggravated when 6-year old children appear among them. But then, it is even inappropriate to use the future tense: in Georgia, where all 6-year old children have taken their place behind desks, there are already complaints that they cannot be fed in the manner required by the regimen.

There is still another question--the children who live away from parents in school dormitories, boarding houses, dormitories of vocational and technical schools and boarding schools. Here the responsibility for not only seeing that a teenager is simply fed but is fed correctly is especially high, and deviation from the established norms cannot be justified by any allusions to objective reasons.

It is precisely because of this that it is necessary to look attentively and closely at positive experience in organizing children's nutrition. Addresses at the conference were entitled: Belorussia, where students of vocational and technical schools, who live away from parents, are provided four meals a day, Perm Oblast and Lvov Oblast. Large procurement factories have been established there, which supply semimanufactures to school dining halls. In other words, you just wish and everything will be there: vitamin tables (it is high-sounding, but in reality it is simply carrots, beets, apples and cabbage--it is only necessary to prepare them well, deliciously and in a hearty manner), mechanized distribution and complete rations (if only for extended day groups).

Much was said at the conference about milk. In some places it is not delivered to children, and in other places they do but children won't drink it. Someone said it correctly--they would eat yogurt. But there is no yogurt, and the valuable milk is poured out--it is painful to look at this. Cannot it be replaced with fruit juices? A full battle developed over juices. The Ministry of the Fruit and Vegetable Industry openly demanded that "schoolchildren" buy 3-liter bottles with apple juice. But medical workers objected. They insisted on small packaging: so that there will be small cartons, like those in which cream is being sold now. Open and drink it--there is no need for glasses which break and need to be washed and the danger that the juice may ferment is also excluded.

However, canned goods specialists do not promise any such blessing in the foreseeable future--not only that, they threaten to stop processing apples completely if there is no demand for 3-liter cans.

What is being done by the departments which participated in the conference? What measures are being planned by them? These were the main questions which were addressed to those present by S. P. Burenkov, chairman of the conference and minister of health of the USSR. First of all, the Nutrition Institute of the AMN [Academy of Medical Sciences] of the USSR has developed rations which are to be used for various age groups, beginning with the 6-year olds. To be sure they still have to be brought in accordance with existing prices. By the way, the August issue of IZVESTIYA raised the question about the unnatural aspect of the situation under which the maximum price set for a child's lunch is such that it is practically impossible to fit into it and to adhere to the requirements of the medical service.

Giving hope is the fact that in the near future it is planned to double the number of seats in dining halls in schools and vocational and technical schools, for which purpose, of course, it will be necessary to increase the output of tables and chairs. It is planned to do everything possible to reduce the price of children's nutrition and to organize free nutrition.

And, finally, all participants came to a unanimous conclusion: there are no insoluble problems where children's nutrition is concerned-their health depends on it. Given responsibility from top to bottom plus strict demand--and every child will receive everything that is necessary, so as to grow up to be not only the way fathers and mothers would like him to be but also those who doctor, teach and feed him. Let us add to this that the interest of the whole country also consists of this.

9817

CSO: 1827/111

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

KOMSOMOL OF KAZAKHSTAN AIDS PRODUCTION OF CHILDREN'S GOODS

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 12, Dec 84 pp 56-59

[Article by M. Aybekov, Kazakhstan Komsomol Central Committee Working Youth Section chief: "Komsomol Concern for Children's Goods"]

[Excerpts] In accordance with the CPSU Central Committee and USSR Council of Ministers decree "On Measures To Increase the Production of Goods for Children, Raise Their Quality and Improve Trade in These Goods," much has been done to satisfy consumer demand more fully. However, the demand for articles for children is still not being fully satisfied. It was therefore with a high sense of responsibility that Komsomol members and the youth of the republic took up the call of the Kazakhstan Komsomol Central Committee--to establish patronage over the production and marketing of children's goods under the slogan "Nothing But the Best for the Children!"

In order to get every young man and woman actively involved in resolving specific production tasks, the Kazakhstan Komsomol Central Committee together with the Kazakh SSR ministries of light and local industry, trade and education and the sector republic trade union committees drew up a comprehensive program for the participation of youth in increasing production and extending the range and improving the quality of goods for children.

The program was highly assessed at the Kazakh Communist Party Central Committee 14th Plenum in the report of CPSU Central Committee Politburo member and first secretary of the Kazakh CP Central Committee, comrade D.A. Kunayev.

It was a play world. But unfortunately it was not set out on the counters of the Detskiy Mir stores but in a room at the Kazakh branch of the USSR Ministry of Trade Soyuzpromvnedreniye Association, where the best models of children's toys and clothing and footwear had been gathered together.

Sometimes the purchaser leaves the counters of our children's stores disenchanted: he is satisfied neither with the choice nor the quality of many goods.

The conclusion is involuntary: do the workers responsible for the production of goods for children not change their tastes too often?

Of course, in and of itself the task of completely satisfying the growing demand for children's clothing, footwear and educational toys is multifaceted and

complicated. But great significance attaches to its resolution. The importance of this matter was underscored by the CPSU Central Committee February (1984) Plenum; and at the July 1984 meeting of the republic party and economic aktiv the tasks were outlined for a further buildup in the production of goods and an expansion of their range and improvements in quality.

In the matter of responding to this party and government concern the Komsomol organizations of Kazakhstan have started to give serious attention to directing young men and women for work at enterprises in light and local industry, trade and the services sphere. The plan for the social recruitment of youth in these sectors of the national economy has been fulfilled 128 percent.

Today about 300,000 young workers in the republic are employed at enterprises that manufacture and market consumer goods. One young man or woman in six is working in the Komsomol youth collectives.

Komsomol patronage has been extended to the construction and opening of 24 specialized children's stores and repair shops in our republic's cities and rayons. Six of the enterprises being built by the Kazakh SSR Ministry of Light Industry and Ministry of Local Industry have been declared shock Komsomol projects.

Before the end of the five-year plan another 3,000 young men and women will be directed for work under Komsomol auspices at enterprises producing and marketing children's goods.

Much of interest is going on in the work of young workers at the Kustanay Bol'shevichka Sewn Goods Factory, which has increased its output of high-quality goods for children. Here, one out of every two young men and women works in the Komsomol youth collectives. There are no laggards. A high level of labor productivity has been achieved through transferring all the Komsomol youth brigades to progressive forms of labor organizations and wages. Many Komsomol members are actively introducing advanced technology and new equipment. Thus, the assimilation of 46 units on new equipment on a production line for sewing woollen suits for preschool children has made it possible to improve labor productivity 18 percent. According to the results for the first half of 1984, one-fourth of all output for children has received a state Mark of Quality, and 39 percent of output was in the N-index category.

The Komsomol organizations have started to be more seriously involved with questions of production management. At the Abayskiy Sewn Goods Factory (Karakanda Oblast), with the support of the administration and the party and trade union organizations the Komsomol committee takes over management of the enterprise once a month. This enables the Komsomol members really to investigate the concerns of the collective, get a feeling for carrying business responsibility, and test the correctness of their decisions. On the days of Komsomol self-management there are no violations of labor discipline among the young people and production improves sharply, especially on the lines producing goods for children.

The republic council of young scientists and specialists under the Kazakh Komsomol Central Committee has organized a group that studies the situation and demand for goods in the children's product range.

In short, much has been in solving the comprehensive program for patronage by Komsomol organizations over the manufacture and marketing of articles for children; but many difficulties still lie ahead.

Last year's results show that the proportion of children's goods in the total volume of knitted and sewn goods produced was only 30-40 percent; for hosiery articles the figure was 26 percent and for fur articles about 15 percent, while the production of footwear remained at the 1979 level even though demand grew 24 percent.

The reasons for such disturbing statistics lie primarily in the shortages of high-quality raw materials and dyestuffs and in poor tooling. However, they often occur because of a lack of entrepreneurialism and initiative on the part of some managers. For example, at the Kustanay Bol'shevichka Sewn Goods Factory, which specializes in the production of goods for children, the production of special clothing has been increased unjustifiably, to the detriment of main output manufactured on high-class equipment. In the same city a worsted-cloth combine has halved its output of fabric for children's clothing.

Other factors that come into play result in enterprises producing defective or substandard output. In 1983 alone the trade organizations refused to accept low-quality articles manufactured at republic light industry enterprises; this amounted to a total of R8.44 million worth of goods, including R7.48 million worth of sewn and knitted goods.

This is all happening because questions of quality have not been a subject of special concern by Komsomol members and young people at the Ust'-Kamenogorsk Rassvet Sewn Goods Production Association, the sewn goods factories in Petropavlovsk, Pavlodar and Tselingrad, and the No 2 branch of the Alma-Ata Knitted Goods Association imeni Dzerzhinskiy.

The proportion of children's goods in the N-index category is low. Thus, at the Tekeli Sewn Goods Factory in Taldy-Kurgan Oblast this indicator is the lowest in the republic at 0.4 percent; and the Dzhambul, Gur'yev and Kokchetav sewn goods factories produce no children's goods at all in that category.

Individual sewn articles are poor in terms of the design and aesthetic levels and fail to promote good taste in children. Help is needed here from the Kazakh SSR Ministry of Light Industry design houses, which are obliged to work on and propose good, inexpensive models of children's clothing in the Soviet and national styles. We think that a need now exists here in the republic to produce a fashion journal devoted entirely to innovations in teenage and children's clothing.

The serious shortage of dressmakers' models is making itself felt in the design houses. In our opinion the training of such models in a department of the theatrical-artistic institute would be justified.

Children's clothing is in need of greater attention from adults. Enterprises producing it systematically fail to fulfill plans within the given product range. In the first 7 months of this year alone there was a shortfall of 324,000 pairs of children's box-calf shoes and instead, as "compensation," 544,000 pairs of house shoes and sports shoes were produced above the plan.

Within the republic there are shortages of footwear, high boots and calf boots for preschool children; demand for these articles is being satisfied only 64 percent.

The problem of quality for these articles remains unresolved. Last year virtually one pair of footwear in ten was returned by trade; this amounted to almost R1 million.

The headquarters of the Komsomol "searchlight" project and Komsomol posts at enterprises are being lethargic with respect to the manufacture of children's goods. The Komsomol "outstanding quality chains" still exist only on paper. Development of cooperation between the Komsomol organizations and trade under the slogan of "Outstanding Manufacture, Outstanding Marketing" is still poor.

We cannot pass over in silence the production of toys. Year after year demand for toys remains unsatisfied, and it is precisely toys that help in making childhood finer and better and that teach sharp-wittedness and invention. However, toys that encourage thinking and develop love of labor, the desire to be creative, and a love of the beautiful are today in very short supply.

Up to 80 percent of the toys sold are imported from the fraternal republics or from abroad. The rest are produced at 58 of the industrial enterprises in the republic.

Each of these enterprises proceeds on the basis of its own technical possibilities. Unfortunately, in the main they are subsidiary products. This goes a long way toward explaining the "frigid attitudes" toward the production of these goods and the unsatisfactory rates of product range renewal. Thus, the Petropavlovsk Plant imeni Kuybyshev planned to produce 66,000 wheeled pedal carts this year, even though demand amounts to no more than 10 percent of this figure. But up to now production has not yet been started in the pedal car recommended by the Kazakh SSR Gosplan.

For a long time there has been no demand for the dolls produced at the Alma-Ata "Kzyl tu" Plastics Production Association; the dolls differ one from another mainly in terms of their clothing and names. And, unfortunately, they make up 50 percent of the volume of toy production. At the same time dolls from other republics are not to be found in the stores. Each year dolls worth a total of R6 million are imported into our republic, which is triple the output in our republic. Why is this? One of the main reasons is that the dolls that "travel in" are better dressed than ours. For some reason we do not use bright and interesting fabrics for this toy. It would appear that here it would be possible to use waste from the Alma-Ata Knitted Goods Production Association imeni Dzerzhinskiy and a number of other enterprises. The Komsomol committee at the "Kzyl tu" Production Association and other sewn and knitted goods enterprises should be of great use here if they conclude cooperation contracts for deliveries of waste products.

The network of stores selling children's goods needs to be expanded; within the republic system of state trade they make up only 30 percent of the total, while in Alma-Ata the figure is even lower--16.9 percent. There are only three of the "Umelyye ruki" ["Clever Hands"] stores in the whole of the republic--in Alma-Ata, Dzhambul and Pavlodar.

These and many other problems must be solved. It would be expedient to set up under the Kazakh SSR Council of Ministers a coordinating and methodological council to deal with problems of goods for children, which would combine the efforts of the economic managers and link suppliers in a strong chain and help in overcoming administrative separateness.

Komsomol youth collectives have not been set up at all the enterprises, sections and shops producing articles within the range of children's products. Only one Komsomol youth collective has been set up at the Semipalatinsk Bol'shevichka Sewn Goods Production Association, and only a few have been organized at the Knitted Outerwear Factory imeni 50-letiya Oktyabrskoy Revolyutsii. This should be a matter for consideration by the Semipalatinsk Gorkom, the Leninskiy and Kirovskiy Komsomol raykoms and the Komsomol organizations at these enterprises.

Expanding the production of children's goods covers a broad range of questions. They can be resolved only through the joint efforts of the economic, Komsomol and trade union organs. And then the slogan "Nothing But the Best for the Children" can shine out brightly on the banners for the mass competition among youth and the Komsomol organizations at the enterprises producing goods for children can get down to specifics.

COPYRIGHT: "Narodnoye khozyaystvo Kazakhstana", 1984

9642

CSO: 1827/106

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

FOOTWEAR FOR ELDERLY LACKS VARIETY, QUALITY POOR

Moscow KOMMERCHESKIY VESTNIK in Russian No 23, Dec 84 pp 20-22

[Article by O. Berezhnaya: "Shoes for the Elderly"]

[Text] Overhearing our conversation, one of the ladies shopping sighed: "Yes, little daughter, elderly people have nothing at all to wear on their feet". I. Slezkina, deputy chief of the shoe section at GUM in our capitol, was telling me about this very thing. The trouble with producing shoes for the elderly is vividly illustrated in the numerous letters to the editor from the readers. It's not so easy to find shoes or sandals suitable for the elderly on the store shelves and showcases. But where, when and on whom should the blame be placed; and who is responsible for the neglect? I've been trying to find the answer to these questions among the many people associated with shoe manufacturing and sales.

A Grandmother in Krossovki

They make magnificent krossovki at the Kalinin Shoe-manufacturing Association. They are made from fine, soft leather, with molded polyurethane soles. Both the workers and the supervisors at the association tell about how they've organized production of these articles, how they've mastered the new automatic equipment, and how they've re-equipped the line.

"This shoe is suitable for all ages: it's soft and comfortable", says P. Sorokin, general director of the association.

"My mother-in-law also bought krossovki recently. I tried to dissuade her: 'What do you want with these? People will laugh at you'. But she stood her ground: 'Let them laugh. I find them comfortable. I'm going to wear them'", relates E. Kirillova, chief engineer at the association, seconding the director's remarks.

A bit later we had a conversation with G. Falyano, chief engineer at the All-Union House of Models for Shoes. Genrich Manikovich spoke almost with rapture as he described the resourcefulness of the little old ladies: in the summer they go around in slippers and krossovki, and in winter they even wear "moon boots".

My companions speak optimistically, but it's sad to hear them talk. No matter what you say, evidently, it's their fault that the grandmothers and grandfathers can't find suitable shoes. And where can one get them anyway? In the country as a whole, where there are more than 53 million pensioners, only 30.1 million pairs are produced for this population category, which is 4.0 per cent of all leather footwear. In many republics it's even less. In Azerbaijan, for example, production of shoes for the elderly amounts to 0.52 per cent of production; in Uzbekistan, 2.7 per cent; in Kazakhstan, 1.3 per cent; and in Turkmeniya they don't make any at all.

They are taking this problem quite calmly at the RSFSR and USSR Ministry of Light Industry. There are no shoes for the elderly in the Trans-Caucasus republics or in Central Asia? But the ministry isn't getting any complaints from there. Obviously there's enough of the national footwear to go around. There's nothing to worry about. Well, in general, this used to be a critical problem. But now that low heels are in style, and the toes are broader, the problem just about solves itself.

"What does 'shoes for the elderly' mean? What age is considered elderly? Which of us, in general, admits to being elderly?" reasons L. Agafonova, chief of the assortment and quality department, Development Administration for the Shoe, Leather and Leather Goods Industry, USSR Minlegprom [Ministry of Light Industry]. "Right now we're talking about comfortable shoes: a low-heeled shoe made from soft, pliable leather is suitable for both the young and the old. Last year the branch enterprises produced 49.3 million pairs of such items, and in 1985 production will increase to 60 million".

Nevertheless, here's the true situation, even though it's not so pretty: grandma comes into the store; she chooses a more-or-less becoming pair, maybe not her favorite one; she puts them on her sore feet; but does she feel the same in these elegant shoes as she does in slippers or krossovki?

Quite a few samples of shoes of this type were displayed at an interrepublic trade fair for shoes held recently. And truly, people of middle age and a little older would have been satisfied with many of the models. They would have been if it were not for one small but very important "but". The representatives of the shoe associations whom I approached--in Shakhtinsk, Kalinin, Bryansk and elsewhere--related that they'd planned to produce comfortable shoes only in widths three and five, or widths four and six. But elderly people need widths seven and eight...

"According to enterprise regulations, articles are to be manufactured in two or three widths: three, five and seven, or for example, four, six and eight. But hardly anyone makes shoes, boots or oxfords in three widths. Certain enterprises manufacture shoes in only one width--they ignore our orders for a full assortment of widths. The enterprises turn out articles in average widths. And that's why those whose feet are a bit wider have to look for shoes in large sizes or, they have to wear slippers", says G. Goncharova, deputy chief of the assortment and quality department, Rosobuv'torg [RSFSR Republic Office of the Wholesale Trade in Footwear].

The prospects for lower heels don't inspire optimism either. You see, with the current price formation system, the price falls by 10-15 per cent along with lowering the heels. And so, should one be surprised that in spite of current fashions, as a rule even shoes which are obviously intended for the ballroom lift their owners up by 8-10 cm? Moreover, fashion, as a rule, is changeable; they recommend wearing even higher heels next year.

Therefore, let's abandon the illusion of universality and overall comfort. Let's not be too delicate, and let's take a close look at those shoes which are especially designed for middle-aged people.

The Standard Is, "Whatever I Want"

Medical specialists maintain that the feet of elderly people are deformed, that they are more painful and more sensitive--and they are absolutely right; therefore, special demands are placed on the manufactured goods. Among the demands is one to produce shoes for the elderly from special lasts, which have broader soles. And the toe portion of oxfords, high-top shoes, and boots should be made wider than for ordinary shoes. When one approaches old age one's ligaments become weaker; an asymmetrical heel, which is longer internally, is needed to support the foot in the correct position. Soft, contoured insoles are called for to insure convenience and comfort.

And how are these requirements carried out? "Thus far light industry has not organized production of asymmetrical heels", says Z. Tumashev, deputy chief of the "Rosobuvtorg" Association, RSFSR Mintorg [Ministry of Trade]. "For a long time there were no lasts. Then the All Union House of Models worked up several designs. But the articles do not meet aesthetic standards".

This is the proper time to take note of the fact that OST [All-Union Standard] offers a splendid opportunity to not carry them out. After all, it is no accident that they contain the provision that according to a trade agreement shoes for the elderly may be manufactured with ordinary lasts and with ordinary heels. The standard is truly "whatever I want". The requirements of the standards are so flexible, that workers at the enterprises have become so accustomed and so well-adapted to them that they've long forgotten the requirements. Out of all its regulations, E. Kirillova, the chief engineer at the Kalinin Association could remember only one: that shoes manufactured in accordance with OST must have a soft insole. "That's the only difference there is between OST and GOST" [All-Union State Standards], Elena Vladislavovna said to me.

Naturally, she doesn't see a great problem in the fact that shoes for elderly people are made at the association according to GOST requirements and not those from OST. Judging from the practical results, her colleagues are completely in agreement with her.

Thus, 16 associations and enterprises in the Ukraine reportedly manufacture shoes for elderly persons, but only five of them have specialized lines for producing articles according to OST requirements.

"Most enterprises prefer not to create specialized lines, and for shoes for the elderly they allocate ordinary articles from outdated models with low heels", says Z. Tumashev.

Last summer at the USSR Ministry of Trade's All-Union Association "Soyuzpromvnedreniye" a viewing was held of samples of low and mid-heel women's shoes and shoes for the elderly produced by native industry. The seriousness of their approach to the models and to manufacturing shoes for this population category, is illustrated by the fact that, out of 226 samples shown at the trade fair by 15 republics, one-third consisted of house slippers and Crimean slippers.

As the viewing indicated, many enterprises produce shoes for the elderly without soft insoles for the entire sole, without incisions in the fascicular part, without insoles made from the soft side of the hide; and they are made in narrow widths, out of stiff leather. And one pair in ten is defective. Monotonous, plain models were presented in the assortments from The Rostov "Donobuv", the Gor'kiy, and the Zaporozh'ye associations, and by factory No 2 in Baku. The assortment of women's shoe samples for the spring-fall season was extremely limited; there were practically no shoes designed for women such as "opanki" and "mocassins"--which are in great demand among people of middle age and the elderly; there were no women's dress shoes with leather soles, nor any articles of light-weight design. As a result of the viewing, it was proposed to cancel the temporary prices ahead of time, to remove the State Mark of Quality, and to cease production of one in every four of the models shown.

But can the situation be changed radically in the near future? Alas, until the end of the five-year plan only 5 million more pairs of shoes for elderly people will be made than are being made today. Judging from the samples displayed at the inter-republic wholesale trade fair, these articles will hardly become much better in terms of quality either. Left and right, the manufacturers continue to produce these shoes in violation of OST--that is, with ordinary backs, on ordinary heels, and without cushioned inner soles over the entire sole. Quite often these shoes differ from others only in terms of outmoded, primitive models.

...That They're No Worse Than Others

There is no lack of explanations among shoe manufacturers for the situation which has come to pass, and many of their complaints are justified. Yes, today both the machine-building industry and the chemical industry are greatly in arrears to the shoemakers. But are the subcontractors always to blame for everything?

Here's an example. Two models from the Shakhtinsk Shoe Association were displayed at the trade fair--one with the top portion made from velvet, the second from an Italian fabric. It was terrible just to hold them in your hands. They were unbelievably heavy. But can they not, do they not know how to design and make good shoes in Shakhtinsk? The articles, displayed side by side, tell the story--they know how full well. But to enlist talent and to persevere in manufacturing shoes for elderly people, this they obviously do not consider a necessity.

The Volgograd shoemakers know all about the requirements for shoes to be purchased by the elderly, but this doesn't prevent them from attaching stiff leather soles to open-toed sandals, which are even hard on a young person's feet.

Or let's take the shoemakers at the "Skorokhod" Association in Leningrad-- it has evidently not occurred to them that bright orange or pink is not the most becoming color for those "over forty". But they are offering shoes of these very colors to the grandmothers in Kimry.

As is well known, it can be very difficult for an elderly person to stoop down. At the same time, all the shoes and oxfords presented at the trade fair for elderly people by the Bryansk shoemakers had laces. Most of their colleagues also produce shoes with laces for elderly people, and not only for men but for women as well.

Obviously the cost of shoes is quite important to those who live on their pension alone. And, unfortunately, the cost is increasing.

Just this year the Kalinin association was producing "mocassin" type shoes made from leather for middle-aged and elderly women. They cost 26 rubles. Kalinin representatives brought shoes with polyurethane soles to the trade fair which were priced at 37-38 rubles.

"Demand for leather mocassins has declined, therefore we decided to make the soles from polyurethane", explained L. Dvoryashina, deputy chief engineer for assortment.

Looking at the models presented at the trade fair, one could hardly believe that the changes were introduced for the convenience of the purchasers. The soles, which by their shape were more suitable for men's shoes, were not, of course, a decoration for the articles made in Kalinin; but they nevertheless charged 12 rubles more for them.

In the words of the administrators of the association, women's boots are made exclusively of polyurethane, which is also the opposite of what the purchaser wants. Can the administrators of the association truly be misled about the demand?

"Yes, you think we don't know what kind of shoes the old folks need?" said V. Bashilov, chief of shop No 6 at the primary enterprise of the association in Kimry, removing all of my doubts once and for all. "After all, polyurethane is no good at all in cold weather. It cracks, it's not as warm as rubber, and it's slippery to boot. But you can hold a gun on the manufacturers and you won't get them to use porous rubber. It's more difficult to process, and footwear made from porous rubber cost only about half as much".

Thus it is by far not the interests of the purchaser, but the race for an easy ruble that is the primary motive of the administrators of the Kalinin association. And one must note that they have quite a few allies.

At Rosobuvtorg they showered praise upon the mocassins which are manufactured at the Kirov combine.

"Unfortunately, right now they won't be making them from leather, but from polyurethane. This model has become worse, and more expensive as well", I was told at the ministry.

The Leningrad "Skorokhod" Association and many other enterprises have reduced production of articles made from porous rubber.

"Current demand for inexpensive, popular footwear is for 300 million pairs; but only one-sixth as much is being produced" said A. Karanyan, deputy chief of Glavtekstil'shveyobuv'torg [probably: Main Administration of the Wholesale Textile Shoe Manufacturing Trade].

"You know, half the problem with the production of shoes for the elderly could be solved, if the enterprises would produce more shoes in widths seven and eight", said Z. Tumashev.

It would seem that nothing is simpler than ordering the proper soles! But...

"We place an order with the Kalinin association for mocassins, 40 per cent in width seven, but we get only 15", says E. Plekhunova, chief of the Kalinin wholesale trade base. I recall a trip to the Voroshilovgrad shoe-making association. Both the administrators of the enterprise and the models complained that they couldn't wear their own boots--the heel is too low. But they kept right on modeling and producing boots which they couldn't pull onto their feet.

And those who dictate the fashions do not spoil the elderly people with too much attention either. We had an interesting conversation with G. Falyano. Genrich Manikovich simply didn't know that the All Union House of Models for Shoes had developed special lasts for the elderly. Incidentally, we won't be too harsh on him. After all out 300 styles of lasts for men's and women's shoes developed here, they had only 12.

"But we don't need any more", declared E. Baronyan, chief of the laboratory for designing shoe lasts. "After all, these articles are not that subject to fashion".

Concerning the fact that the feet of elderly people vary greatly because of deformation, Edvard Vaganovich preferred to remain silent.

In all probability, V. Komarova, chief design engineer at the House of Models, is in complete accord with him. Otherwise how could one explain the fact that by the beginning of this year nearly 5,000 models of footwear were displayed in the showroom of ODMO [All Union House of Clothing Models]. But of these only 42 were for the elderly...

One increasingly comes to the conclusion that, no matter what objective difficulties the administrators cite, there is evidently only one reason--the lack of motivation to solve the problem.

The question arises: why? Is the Kalinin association really incapable of working on it?

They proudly showed me devices for molding the toe portion. Ordinarily, it takes 3-4 months to install them. Here they managed to do it in 3 weeks. And they'll be able to make splendid krossovki on them, which are just as good as the famous Adidas. They thoroughly went over one of the native lines and made the necessary adjustments--and now instead of girls' shoes which wouldn't sell, they're putting together a different kind of krossovki, which are also selling like hotcakes. But they were too lazy to order special lasts for articles for the elderly. They turned production of shoes in large widths into a problem.

But the models at the House of Models have something to be proud of: "Be sure and have a look at our walking shoes, developed on the basis of sports shoes", advised A. Klushin, the deputy director. And there truly is something to look at.

But why are the shoemakers not held in esteem for making shoes for the elderly? I received an answer to this question upon familiarizing myself with the accounting form of the USSR Ministry of Light Industry for producing leather shoes in a group assortment. Volume of production for both sporting goods and house slippers, model shoes, boots, and babies' booties, are all printed on this form. But they couldn't find a place for shoes for the elderly. They are not shown in the plan. They are produced by assignments determined by the Development Administration for the Footwear, Leather Goods, and Haberdashery Industry. These assignments get to the enterprises several months after the beginning of the year; therefore they treat them as secondary assignments.

At Minlegprom USSR they readily describe how the branch has recently managed to solve to a large extent the problem of supplying the populace with various goods, including footwear. We do not intend to dispute this assertion. Every year our country produces more than three pairs of shoes per capita. At the same time the assortment of these articles quite often does not correspond to the requirements of the populace. Trade is lacking in good quality footwear for elderly people. Minlegprom USSR should quickly take measures to solve this important problem.

COPYRIGHT: "Kommercheskiy vestnik" No 23 1984

9006
CSO: 1827/79

HOUSING AND PERSONAL SERVICES

REGULATIONS FOR EXCHANGE OF RETAIL GOODS OUTLINED

Moscow IZVESTIYA in Russian 6 Feb 85 p 3

[Article: in the column "Juridical Service of IZVESTIYA": "An Unsuccessful Purchase"]

[Text] People make millions upon millions of purchases in our country daily. Naturally, everyone tries to select that which is to one's liking. But it does happen that an unsuccessful purchase is made. Can one exchange the purchased article? Under what conditions? What regulations exist with respect to this? Such questions appear quite often in letters to the editor.

The questions are answered by Doctor of Juridical Sciences, Professor Ya. A. Kunik.

"I bought a suit in a store and gave it as a gift to my husband on his birthday. A few days later my husband admitted that the suit was not to his liking because of its outdated fashion, and we immediately went to the store with a request to exchange the suit for another more fashionable one. However, our request was denied, with the given reason being that there were no defects in the purchased article and therefore the suit was not subject to exchange. I have asked that appropriate regulations be shown to me, but there were none in the store. What are the existing procedures?" [Signed] L. Kuznetsova, Volgograd.

The regulations in force on the exchange of manufactured goods purchased in the retail trade network of state and cooperative trade, give the customers the right within 14 days (not including the purchase day) to exchange for a similar commodity in a store the good quality outer sewn and knitted items, headwear, piece textiles, women's handbags and other goods acquired in the store, if the purchased commodity is not suitable with respect to form, fashion, color or size. In this case, the conditions of exchange consist only of that the item was not used, is returned in an undamaged and uncontaminated condition and that the factory label and the merchandise or cash register receipt issued by the store when the item was sold is retained.

As regards the absence in the store of commodity exchange regulations, then this is a violation of the legislation in force. The aforementioned regulations must be posted in sale areas of stores and warranty repair workshops.

"We, my husband and I, bought a piano for our daughter. The piano broke down only three weeks after it was purchased. The repairman called by us from the warranty workshop said that the instrument needs major repairs, which will take more than 1 month. We went to the same store with a request to replace the piano. However, the chief of a store section said that according to trade regulations we now must deal only with the warranty repairs workshop. Does this mean that the store, which sold us a poor quality item, can hold itself aloof?" [Signed] I. Gorlenko. Minsk.

To put it mildly, you were misled. According to regulations for the exchange of commodities bought in a store, manufactured goods, for which there are established warranty periods, can be exchanged at customer request for new ones when latent defects are discovered prior to expiration of these periods. In particular, pianos, grand pianos, bicycles, washing machines, sewing machines, air conditioners and other large items are subject to exchange if a manufacturing enterprise or a warranty repairs workshop does not eliminate the defects within a 10-day period after a customer's request and also if after being repaired once these items need repairs again.

What is more, you had a right within the first 30 days after purchasing the piano to exchange it without adhering to the aforementioned condition by presenting a certificate from the warranty repairs workshop attesting that the defects in the item were not caused by you.

"In November last year I and my family were given a new apartment. I have bought a suite of domestic-made furniture and individual items of imported furniture. Exactly 1 month after the purchase I have discovered various latent defects in the furniture. Naturally, I immediately went to the store with a request to exchange individual items in which defects were uncovered. However, my request to exchange the furniture was denied on the grounds that items of corresponding type were not available in the store at the time the complaint was lodged. Besides, as it was explained to me, the imported furniture is exchanged according to one set of rules, and the domestic-made furniture according to other rules. Therefore, I was told to write two applications, which I was promised will be reviewed during the days immediately ahead. One week had passed without any result. Then I requested that the furniture be at least repaired or the defective items be marked down. But this was also denied. Please explain, what the particular features of furniture exchange regulations consist of?" [Signed] I. Vladimirov. Sverdlovsk.

As to furniture exchange regulations--domestic-made or imported--they are indeed different.

In the event of finding latent defects in domestic-made furniture, a customer has the right to demand, and the store is required to exchange it with items of the same type or, if the customer wishes, to exchange the defective furniture with items of other type of merchandise. If the exchange is denied, the store is required to return to the customer the amount of money paid. I would like to stress that even in cases when only individual items of a suite of furniture are defective, the entire suite is subject to exchange. Of course, with the customer's consent not all but only individual items can be replaced.

The defective furniture can be marked down, but only on the basis of a conclusion by the bureau of commodity experts. A customer is paid the difference in price.

In the event of finding latent defects in imported furniture, the customer has the right to make a written request, but not later than the certain periods from the date of purchase (established by ministries of trade of union republics, depending on the supplier country), to the store where the purchase was made: it is necessary to attach a copy of the merchandise receipt to the application. Within 10 days after receiving the complaint, the store must establish the origin of defects in the furniture. Within the same period, the store must eliminate the defects at its own expense. If it is necessary to have an examination by experts, it is also the responsibility of the store to provide for it. After receiving an examination report, which confirms the defective nature of furniture, the store is required within a two-week period to accept the furniture back and to replace it with items of proper quality of the same type or with the customer's consent to exchange it for furniture on sale of other type of merchandise with a corresponding cash recalculation. If the customer wishes, he can be paid the amount of mark down set by the examination by experts. If the customer turns all of this down, the full cost of the furniture is paid to him.

If it is necessary to exchange individual items in the suite of imported furniture, the store must replace the entire suite. But with the consent of a customer, it is possible either to replace individual items of the suite or to mark them down with the amount of mark down being returned to the customer.

In this case it must be borne in mind that an out-of-town customer who has purchased imported furniture with latent defects is in a special situation. Such a customer, who resides in another oblast, kray or republic, has no right to exchange the defective furniture. Only the amount of the mark down based on a report by the examining experts is paid to him.

"My husband bought a pair of fashionable shoes with leather soles. They are domestic made. After half a month the soles began coming off of them. When I approached the store with a request to exchange the shoes for new ones, I was told that, first of all, I have missed the warranty period set for an exchange and, second, even if I did not miss that period, the exchange of footwear is possible only if there is a conclusion by an examination by experts. Is this so? Please explain, what warranty periods have been established for footwear exchange? [Signed] Ye. Tat'yanova. Orel.

The exchange of footwear (both domestic-made and imported) is regulated by unified regulations, which are confirmed by the ministry of trade of a union republic. For example, in the RSFSR such regulations were confirmed by an order of the minister of trade of the RSFSR of 4 June 1980.

The distinctive features of the footwear exchange regulations consist, in particular, in the fact that replacement of footwear is possible only in the presence of production defects, provisions for which are made in special lists that are appended to the regulations. Incidentally, the defects found by you in the footwear are contained in the aforementioned lists.

A complaint about established defects in footwear can be made within a warranty period, the beginning of which is calculated from the date the footwear is sold by a store. These periods, for example, range from 30 to 80 days for domestic-made leather footwear. In the case described by you the warranty periods were not missed and the store was required to examine the complaint in essence.

As for exchange of imported footwear, then a corresponding complaint also must be made within warranty periods. However, defective imported footwear is replaced only after examination by experts, which is conducted by the wholesale trade base of the supplier of given footwear. A store is required to forward a customer's complaint within a 5-day period, and the base must conduct an examination by experts within a 10-day period from the time the footwear is received at the base. If the experts find the footwear defective, its exchange or return of money to the customer is carried out by the store within a 3-day period from the time the report of the bureau of commodity experts is received.

Or else the defective footwear repaired instead of being replaced. Of course, this is permissible only with the consent of a customer, providing that the footwear manufacturer and the store which sold it are in the same city.

"I have bought a Biryusa refrigerator in a store. It stopped working after 5 months. A repairman from the warranty workshop who was called for this purpose, checked the refrigerator and said that it should be taken to the workshop because it needs complex repairs. To my question, if the workshop had its own motor transport, the repairman said: 'No, this is your concern.' I had to rent a motor vehicle twice: the first time to deliver the refrigerator to the workshop, and the second time to haul it after repairs. My demands that transportation expenses be reimbursed have not been satisfied to date. Do I have the right to demand reimbursement for the money spent to transport the refrigerator?"
[Signed] P. Malinin. Sverdlovsk.

According to standard commodity exchange regulations, the delivery of large items (weighing more than 10 kg) for repairs to and back from a manufacturing enterprise, warranty repairs workshops or a store within the boundaries of a populated place, and within a rayon in a rural area, in which a customer resides, is done by workshops or stores without charging a customer for hauling such items.

Such hauling can also be done by a customer based on an agreement; in this case he is reimbursed for transportation expenses based on a locally established rate.

9817
CSO: 1827/110

16 April 1985

HOUSING AND PERSONAL SERVICES

LEGAL CONSIDERATIONS FOR PERSONAL SERVICES EXPLAINED

Moscow IZVESTIYA in Russian 14 Feb 85 p 3

[Presentation of readers' letters and answers by Prof A.Yu. Kabalkin, doctor of juridical sciences: "The Right to Service"]

[Text] There is probably no need to explain what a difficult, responsible and constantly growing role is given to the sphere of personal services under the conditions of social and technical progress. Practically all sides of its activity are regulated to one degree or another by normative acts, first of all by the Fundamentals of Civic Legislation and the civil codes of the union republics. But as shown by readers' mail, citizens are far from always specifically clear about the legal side of the operation of the service sphere.

Prof A.Yu. Kabalkin, doctor of juridical sciences, answers some of the letters.

"I as an invalid have been assigned a free motor vehicle with manual gear shift. Here is what interests me: some say that I own this motor vehicle, others assert that it has been rented to me. What does the law say?"

L. Kravchenko, Zaporozhye.

Neither the first nor the second statement is correct. The motor vehicle was not rented to you, since rent is a variety of property-loan contract in which the renter (the persons who has received the property for temporary use) pays the party renting it a certain rent payment, while you have been provided the means of transport free of charge. However, the motor vehicle is not your private property due to the fact that you do not have the right either to sell it, give it away as a present or to bequeath it.

The fact is that a legal relationship has been established between you and the social-security organ called a contract of free use of property. For this reason your rights, like the rights of the social-security organ, have their own distinctive features. For example, in a case where you use the property not in accordance with the contract or the designation of the property and

either deliberately or due to carelessness damage its condition, the contract with you may be abrogated prior to the expiration of its time.

I want to point out that early abrogation of a contract of free use can also occur for other reasons, especially where further use of the property would contradict the intent of the given contract. Let us say that an invalid deprived of the right to drive a motor vehicle (let us suppose for operating it in an inebriated condition) must return the motor vehicle to social-security organs. And such cases are encountered in court practice. For example, the Yaroslavl Oblast Department of Social Security brought an action against Citizen Konovalov for removal of a Zaporozhets motor vehicle from him for the purpose of turning it over for use to another invalid. Examining this case as an appeal, the RSFSR Sukpreme Court noted: "The Zaporozhets motor vehicle was assigned to Konovalov as an invalid of the Patriotic War without charge for temporary use. Since the respondent has been deprived of the right to operate the motor vehicle for an extended time and in essence does not have the possibility of using the Zaporozhets motor vehicle turned over to him, then in accordance with Article 347 of the RSFSR Civil Code the contract is subject to ahead-of-time abrogation with return of the motor vehicle to social-security organs."

In this connection, it should be kept in mind that in certain union republics (Latvian SSR, Estonian SSR) in case an invalid is deprived of a driver's certificate, the set period of operating a motor vehicle with stick shift is extended for the period of deprival of driving rights.

"I want to draw up a contract with the Repair and Construction Administration for repair of our house. My wife is dissuading me in the belief that we will have a case of Trishkin's caftan: they, so to say, will repair one thing but then will ruin everything else. So I would like to ask: is the Repair and Construction Administration responsible only for their work or is it also responsible for whatever they break in the course of repairing the house?"

K. Danilov, Leningrad Oblast.

The question, of course, is a burning one. Unfortunately, few know that the consequences of a contractor departing from the conditions of a personal order contract are regulated in detail by law (Article 364 of the RSFSR Civil Code). If in connection with the performance of the work on the basis of the personal order contract, there is property damage in any form or the work is of poor quality, the customer has the right of choice of demanding of the contractor either free rectification of defects in a commensurate time period or of a corresponding reduction of remuneration for the work or (if this is stipulated in the contract) compensation for the expenditures required for correcting with own funds work defects. I will say more: in case of disclosure of significant deviations in the work from the conditions of the contract, the customer has the right to demand abrogation of the contract and full compensation for the sustained losses.

I shall explain with a specific example from court practice. According to a personal order contract concluded by K. with a repair and construction administration, the latter committed itself to do the work of installing gas in a house. In execution of the contract, installation work was carried out in the house and a trench was dug from the house to the proposed location of the main gasline. But, the contractor, not finding the gasline, stopped work, leaving the trench uncovered. Water filling the trench undermined the foundation of the house, which with the onset of strong frosts settled with cracks developing in the walls. K. brought a suit against the contractor for compensation of the caused damage and costs for repair of the house. The court collegium for civil affairs of the RSFSR Supreme Court, declaring that the repair and construction administration was unscrupulous in performance of the work, left unchanged the decision of the North Osetian ASSR Supreme Court on imposing on the defendant property accountability. The contractor was required to compensate for the losses caused the customer--all the costs required for eliminating the damage to the house.

It is useful to know that property accountability is specified not only for poor-quality performance of repair work or for damage arising through the fault of the contracting organization but also for default in fulfillment of the order. According to the Model Contract for Repair of a Dwelling operative in the RSFSR (one can familiarize himself with its text in SOBRANIYE POSTANOVLENIY PRAVITEL'STVA RSFSR [Collection of Laws of the RSFSR Government], No 1, 1965), a customer can demand of the contractor payment for each day of delay of a penalty in the amount of 0.1 percent of the cost of the repair work (including the cost of the materials provided him). If the contract has not finished work on the expiration of a week from the day of start of the period of execution of the order, the customer has the right to demand payment of a fine in the amount of two percent of the cost of the repair work (including the cost of materials).

"My adult son took a book from the library--"Sovetskiy entsiklopedicheskiy slovar" [Soviet Encyclopedic Dictionary], which cost 20 rubles 80 kopecks. It so happened that he left the briefcase containing the book in a bus. Now the library demands 208 rubles from my son--ten times the cost of the book. This is real lawlessness--to make a profit at the expense of readers!"

L. Kiseleva, Moscow.

What "lawless action" do you have reference to? First of all, let us explain from legal positions the character of relations of your son and the library. In the law, such legal relationships are defined as a contract of free use of property, and here it is necessary to know that there are used first of all the rules of Article 342 of the RSFSR Civil Code (and corresponding articles of the civil codes of other union republics). In addition, relationships of free use of property between organizations and citizens are also regulated by other normative acts. In particular, relationships of citizens with libraries built on contractual principles are regulated in detail by the Statute on Library Affairs in the USSR (1984) and the Standard Rules of Use of

Libraries established by the USSR Ministry of Culture. In the relationships under examination (as in any contract) certain rights and duties of the parties emerge. A library has the obligation of offering books to a reader, while the card-holding reader, who has secured books, can use them only in accordance with the conditions of the agreement. For example, if a reader without the consent of the library passes on the books to some other citizen, the library has the right to require early abrogation of the agreement. A card holder who has lost books, other printed works or some materials from the library's collection (or has inflicted irreparable damage to them) is obliged to replace them with the exact same printed works or other works considered by the library to be of equal value. In the case of impossibility of replacement--he is under obligation to reimburse their cost in a tenfold amount. Moreover, the penalty is made without recourse to court--on the basis of an executive endorsement by a state notary or organ that has the right to perform notary functions.

Here we have come, Comrade Kiseleva, to the answer to the question you raised. If your son refused or was unable to replace the lost book by another of the same kind or to offer from the point of view of the library) an equivalent, he then can be penalized in accordance with existing normative acts specifically with the tenfold cost of the lost book.

##

"I decided to have a suit sewn at a tailoring and dressmaking establishment. My material was imported and in my opinion very good. But they told me at the tailoring and dressmaking establishment that the fabric would not do, that there was something wrong with it, that 'it was heavy in working' and refused to make the suit. Was the tailoring and dressmaking establishment right in acting this way?"

L. Guseva, Vladivostok.

It would appear that the establishment's personnel acted properly. The fact is that Article 358 of the RSFSR Civil Code specifies the duty of the contractor to timely warn the customer in the case where the material it has acquired from him turns out to be unsuitable or of poor quality. If the customer, despite the timely and, of course, valid warning on the part of the contractor does not replace the poor-quality or unsuitable material or does not change the instructions in regard to the way of doing the work, then the contractor, in our example, the tailoring and dressmaking establishment, has the right to reject the agreement and to recover the losses incurred (Article 359 of the RSFSR Civil Code). In the opposite case, the contractor assumes the risk of property accountability for improper performance of the agreement.

Here is a concrete situation. At one of Moscow's rayon people's courts, a case was examined concerning the suit of Citizen B. (the customer) against the Chayka Clothing Dry-Cleaning and Dyeing Production Association. The plaintiff asked to recover the damage expressed in the cost of a lady's jacket of artificial fur, which after dry cleaning was found to be unfit for use. The representative of Chayka rejected the claim, explaining that the reason for ruin of the material was the poor quality of the fabric used for gluing on of

the cotton base of the fabric. But the court rejected the defendant's objection and satisfied the demands of the suit, namely on the basis that the contractor (the Chayka Production Association) had the obligation of warning the customer of the unsuitability of the material or of refusing to do the order.

It should be added that the personal-service organization is obliged not only to carefully deal with a client's material but also to adopt all measures for ensuring its safety. Like any contractor, it bears property accountability for any negligence resulting from improper use of a customer's material and its loss or damage. Concerning use of material, the contractor is obliged to present a report to the client and to return what was left. (Article 354 of the RSFSR Civil Code).

"Recently I had to go on a trip on an official assignment. I stopped in a common room of a hotel. When I was not in the room during the day, a suit, a raincoat, an imported electric shaver and a number of other things of mine were stolen. The hotel's management refused to pay me for the cost of these items, since I had not turned them over for safekeeping. But this is an impossibility--each day to turn over to a storage chamber even an electric shaver and then to shave with it in the morning?"

S. Zheltovskiy, Novosibirsk.

I can assure you: the hotel is completely liable to compensate you for the cost of the stolen items. The civil codes of all union republics especially regulate protection of citizens' property rights, which according to the conditions of stay in one or another accommodation do not turn over their things for storage. Article 429 of the RSFSR Civil Code specifies that hotels, rest homes, sanatoriums, dormitories and similar organization have to take measures for preserving the property of citizens in accommodations assigned to them. The enumerated organizations are responsible for the loss or damage of this property, although it (with the exception, of course, of money and valuables) was not turned over for safekeeping by this organizations.

Most important obligations are imposed on a custodial organization, which must ensure the safety of property received from a citizen, that is, to take all necessary measures to preserve (to keep from spoilage, theft) property and on expiration of the time or on the first demand of the citizen to return the property. An important rule concerning property accountability of organizations engaged in safekeeping because of professional functions is incorporated in Article 427 of the RSFSR Civil Code. It is very important to note that in conformity with this article an organization for which storage is one form of activity prescribed by regulations or a statute is released from accountability for loss, shortage or damage to property only in the case where it was due to an irresistible force. This statute obliges specialized organization to display intense concern for property turned over for safekeeping and at the same time to sufficiently fully provide for the interests of its clients.

7697

CSO: 1827/112-A

HOUSING AND PERSONAL SERVICES

PAPER EXAMINES 'INCONVENIENCES' IN PERSONAL SERVICES

Moscow IZVESTIYA in Russian 8 Feb 85 p 3

[Joint article by several correspondents of IZVESTIYA: "Behind Closed Doors"]

[Text] The editorial board of IZVESTIYA instructed its correspondents to find out why enterprises, organizations and institutions employed in personal services are returning to conditions of work that are inconvenient to visitors.

Each of the authors of this report received from the Department of Social and Personal-Service Problems of IZVESTIYA an assignment with the condition to carry it out in free time."

IZVESTIYA's staff correspondent A. Yershov in the city of Gorkiy:

"After 18:00 hours, I went to the stomatological polyclinic located in Kanavinskiy Rayon. The waiting line was very long. It included parents with children. Registrar M. Somova explained that it was possible to be seen by a physician without special difficulty, but this required coming in the first half of the day. Free coupons are always available at this time.

"But in order to register for the first half of the day, at a time when it is height of the work shift at Gorkiy's enterprises, it is necessary to get leave from work.

"The situation is more acute in the children's division. At the same stomatological polyclinic, children's physicians work on a 5-day schedule. On days off, only physicians from the adult division are on duty, and one cannot bring a child to a specialist. This means that it is again necessary for parents to get off from work.

"It must be said that provision of stomatological aid to the population is deteriorating. At the 4th, 20th, 28th and 51st polyclinics of the self-same Kanavinskiy Rayon, they recently stopped accepting children at dental offices. They are all sent to the rayon stomatological polyclinics. To get here, it is necessary to take the child in an overcrowded transport even from such distant microrayons as Meshcherskoye Ozero, Strelka and others.

"As shown by a check of people's controllers, violations of work conditions frequently occur because of elementary lack of discipline. Thus on the day of the check, stomatologist D. Pakhrudtinov was late in starting to see patients. Physician V. Timofeyev was 25 minutes late in starting work. At the same time, it is necessary to take into consideration that according to the schedule his reception schedule that day was to be only one hour long.

"Gorkiy Gorispolkom established in its decision a work schedule for medical institutions. But as the facts show, it failed to establish strict control over the strict fulfillment of this decision."

IZVESTIYA's staff correspondent M. Bayzhanov in Alma-Ata:

"I was assigned to make purchases on days off at several stores. I left the house Sunday morning. I saw many people near the Central Department Store who read the sign and walked away from the closed doors of the store in bewilderment. There were also visitors to the capital of Kazakhstan and residents of Alma-Ata. The reason for their bewilderment was understandable: many remember that only quite recently Central Department Store was open on Sundays.

"But trade still goes on here, and a rather lively one at that. Near the store, there are more than enough rather shady individuals selling various goods here at triple the price.

"It is a pity that the department store is not open on a free day,' says economist Adisha Palymbetova. 'Detskiy Mir, shops for women's and men's clothing are closed. I and many of my friends have time off only on Sunday. Furthermore, look what the speculators are selling here--on a weekday this can be purchased at Central Department Store. Strange, toward the end of the month the doors of all manufactured-goods stores are open--you can go in on Sunday at any convenient time. This is how they fulfill their plan. It means that on the remaining days, they are simply indifferent to clients....'

"F. Baygunusov, chief of the organizational department of the city trade administration, agreed that we should return to conditions when manufactured-goods stores were open on Sunday and their day off was on Monday. Or to arrange it that on this day at least those stores are open that are located in the center of the city. But the gorispolkom is not going for this.

"Explaining why such a decision was adopted, A. Mukhashov, deputy chairman of Alma-Ata Gorispolkom, said that specialists conducted an analysis which showed that on Mondays the flow of customers and profits were higher than on Sundays. And added: "On days off, one should not wander around stores but rest outdoors outside the city."

"As for food stores, they are to be found in every rayon of the city and must be open from 7:00 to 23:00 hours. Not one of them, as I explained, adheres to this schedule: the stores are opened later and close earlier than the prescribed time."

IZVESTIYA's staff correspondent V. Letov in Sverdlovsk:

"I undertook to make an evening tour of personal-service enterprises together with L. Zakharov, an employe of a public reception room. Since the start of this year, Sverdlovsk has been included in the economic experiment being conducted by the RSFSR Ministry of Personal Services. Inasmuch as one of the aims of the experiment is improvement of every kind of personal services for clients, it is possible to expect that service enterprises will make the conditions of their operation convenient for visitors. It turned out that it was not quite so.

"It is again late,' a client of Receiving Dry-Cleaning Center No 42 on Victory Street, N. Petrenko, whom we encountered, remarked in a melancholy tone. It was only six o'clock, but the door of the center was already locked. A year ago, the center was open for 12 hours, now it closes down 2 hours earlier. The reason--it is convenient that way for the receptionist O. Davydova. She herself set the work schedule and put it down in a hand-written sheet signed 'management.' And what does the quite real management think of this?

"The main thing,' said A. Gakh, chief of Sverdlovsk's Personal-Services Administration, 'is not to turn away a client....'

"But words, even good words, will remain but words if they are not reinforced with deeds. For example, the way it is done at Watch Repair Shop No 49 not far away from Ural Heavy Machine Building Plant. Here they are open on the free day. In addition, they operate 3 hours longer during the workday--they saw to the possibility of hiring another clerk, and the shop began to open at eight o'clock in the morning rather than at eleven as before. This is very convenient for personnel of the Ural plant working the second shift, and it is also convenient for foremen--their load has increased and correspondingly--their pay.

"Everything is in order here, which cannot be said in this city of one million people of the only receiving center for second-hand television sets, which is located on Engels Street. Receiving stops at six in the evening. Willy-nilly, 'deliverers' of television sets have to come here during worktime."

IZVESTIYA's staff correspondent N. Baklanov in Kiev:

"Can a privately owned car be repaired in nonworking time? A difficult question and I believe that few motor-vehicle lovers can be found who will be able to answer it in the affirmative. In any case, at IZVESTIYA's correspondents' center many complaints are received from owners of motor vehicles about the inconvenient time of operation of service stations.

"I go to the closest to us Service Station No 3 where they repair Zhigulis. I read the sign hung on the doors of the station and it becomes clear that its personnel have set up working conditions most convenient for themselves and are not concerned with the interest of clients. For example, reception of exhausted batteries is done here only from 9:00 to 17:00 hours, that is,

during the working time of most people. This means that if you want to turn over your battery--forget work and go over to auto service. If you don't arrive by five--you are penalized.

"An even more rigid schedule exists for filling out papers for repair of motor vehicles--this procedure is performed only till four o'clock in the afternoon! On the basis of everything you see that the auto-service personnel have their own idea of labor discipline. According to it, they treat others' worktime, putting it mildly, slipshodly. Has it never occurred to the management of Service Station No 3 that the work regime established at the station causes hundreds of people many hours of absence from work?

"The same picture exists at Service Station No 2 for the repair of Zaporozhets motor vehicles. Here an order can be written up only prior to 17:00 hours. A similar free and easy work regime has been established at the AvtoVAZtekhobsluzhivaniye Special Auto Center located in Borshagovki Rayon.

"Late in the evening, no longer placing any hope on the success of my searches, I decided to drive to the Moskvich Special Auto Center, which was recently built near Kiev. Here work was in full swing: repair orders were being made up, and the machines were being placed on lifts.

"In the winter we work from 9:00 to 22:00 hours in the evening,' G. Mirnyy, the director of the special auto center, said. 'In the summer--from 9:00 to 21:00 hours.'

"It apparently is not for naught that Moskvich Auto Center occupies first place among similar enterprises in the country. Here is where other auto service stations can learn something."

IZVESTIYA's staff correspondent V. Komov in Voronezh:

"Together with A. Bagdashin, an employe of a public receiving center, I visited after the end of the workday 15 of the city's children's institutions. Many of them are kindergartens of the aviation association, a construction trust and other enterprises--they operate on a convenient schedule: they take children beginning with 7 o'clock in the morning and look after them till 7 o'clock in the evening. Parents are satisfied: it is not necessary as before to leave work in order to pick up the child in time.

"But some preschool institutions, for example, Kindergarten No 4, are closed Saturdays, although many parents are at work on this day. The senior group's teacher, A. Lazutina, explained: 'It does not make sense to work on Saturdays for the sake of a few children.'

"V. Rykova, an operator at the synthetic rubber plant and V. Korobkina, a female worker from Elektronika Association, told us that sometimes they are obliged to leave their children at the door of Kindergarten No 42. Work here should start at 7 o'clock in the morning, but frequently no one of the personnel is there yet, and the children are left at the front steps--until some of the teachers come to work. And on days before holidays, they frequently phone the mothers from the kindergarten and require that they pick

up the children sooner.... V. Raspopova, the head of this kindergarten, cites lack of discipline on the part of her subordinates. But who, if not the head, is to introduce order in her own establishment?! It is important for all children's units to be open at a time convenient for fathers and mothers and not to create for them awkward situations or to spoil their mood.

In the beginning of 1983, the USSR Council of Ministers adopted a decree on regulation of the work regime of enterprises, organizations and institutions engaged in personnel services. The adopted measures markedly improved organization of work at the service sphere. But time has passed and here and there they have returned to the old work schedules. It is perfectly clear that the fault here is primarily of local soviets, which have weakened control over the manner of work at personal-service institutions. For this reason, people are obliged to ask for time off from work and sometimes to engage in a direct violation of labor regulations. Strengthening of discipline and organization is not a temporary campaign. The government's decree obliges local soviets, ministries and departments to organize work in such a way that requirements and needs of Soviet people are satisfied more fully and better without detriment to production activity. The editorial board expects that those to whom criticism was addressed in this material will adopt immediate measures. [in boldface]

7697

CSO: 1827/109

HOUSING AND PERSONAL SERVICES

APARTMENT DECORATING PREFERENCES IN LENINGRAD SOUGHT

Moscow SOVETSKAYA ROSSIYA in Russian 10 Jan 85 p 1

[Article by V. Shilov: "By Occupant Request"]

[Text] For the past four years now Leningrad has been experimenting with a program, in accordance with which apartments in new apartment buildings are decorated and equipped in accordance with the desires and at the expense of the first occupants. As has already been reported, the Presidium of the RSFSR Council of Ministers looked at the Leningraders' experience with this program at one of its recent sessions and has recommended that it be adopted as widely as possible.

Now what's the first thing new occupants usually do when they move into an apartment? As a rule, they usually redo the place to suit their own taste. A survey was conducted of three new apartment buildings in Leningrad. It was discovered that immediately after they moved in, new residents would change almost all the locks, roughly one-third of the wallpaper and half the linoleum. Fifty per cent of the new occupants repainted the doors, while almost the same number went so far as actually to replace the doors and window sills. Now, all things considered, isn't this really too much of a beating for the country to take? After all, this means some tens of thousands of redecorated apartments each year! How can we avoid these enormous losses in materials and labor? It looks like there'd be a simple answer to this: we should be decorating all these new apartments in accordance with the desires, the taste, of the people who are going to be moving in. But there are millions of new apartment occupants among us. So there would be just that many individual requests. Would it really be possible to satisfy each one? It wasn't all that long ago that this was considered unrealistic. But this is a problem of increasing social and economic importance, whose resolution has now become a matter of some urgency. So it is in this connection that the experiment undertaken by the Leningrad apartment builders to decorate and equip new apartments taking account of the desires and taste of the people who are going to be moving in is both instructive and promising.

How is all this organized? The new building is turned over for occupancy before all the decorating is done. Future occupants provided with inspection papers visit the apartment intended for them and then visit an apartment furnishings display. Here they can see demonstrations of equipment, furnishings and decorative materials available to the contractor. At that point they can sign a contract ordering additional decoration and furnishings for their apartments. Some 83 per cent of all new occupants took advantage of this option over the period of the experiment. They could

let their individual tastes and desires dictate choices of linoleum color, parquet, kitchen and bathroom tiling, wallpaper, door and wall paint, bathroom and electrical equipment.... This exercise of preference costs a new occupant 100-180 rubles. This is considerably less expensive than redoing the apartment himself after it's already been done once. The most important thing, though, is that this way he can get a reputable contractor to take care of the whole troublesome business of doing his apartment just as he likes it, somebody who will do the work more quickly and reliably than the individual, private "gougers" out there. The last four years have seen some 4500 apartments furnished and decorated in accordance with new occupant requests in Leningrad. Plans now call for the experiment to be expanded to include at least one-fourth of all housing under construction. The advantages—and there are both social and economic advantages involved here—are obvious: fuller satisfaction of occupant desires, elimination of troublesome redecorating and refurnishing problems and savings in material, equipment and labor costs.

Let's look now at some of the figures involved here. Some 350,000 m² of apartment space are decorated in accordance with individual occupant desires in Leningrad each year. Electrical workers in the comparatively small town of Balakovo in Saratov Oblast are setting the example along with the Leningraders. But in all the rest of the Russian Federation the custom apartment decoration and furnishing option does not extend to any more than 60,000 m². Over the course of the four years involved here, this interesting social and economic experiment in apartment construction has not gained all that much popularity. How are we to account for this?

"This reason," S. Sabaneyev, chairman of the state committee on construction for the RSFSR, explained, "is that it is simply not profitable for contractors to undertake to decorate apartments in accordance with the wishes of the individual occupants. It adds something like three months to the time it takes to get a building ready for occupancy. And this means just that much longer to get paid for all the construction work, not just the decoration. This individualized decoration and furnishing takes more highly skilled labor and entails additional labor costs, more personnel and additional overhead expenses. It cuts into labor productivity. Payment for the additional construction services at wholesale rates will not cover the costs incurred by the contracting organization.... So there's the situation: an advantage overall for the new occupants and the state, but only losses for the builder. Now who would willingly and deliberately operate at a loss?"

"But what about the builders in Leningrad?"

"It must be admitted straightforwardly," says V. Khodyrev, chairman of the Leningrad soviet executive committee, in the RSFSR council of ministers, "that this experiment was able to get off the ground primarily because Glavleningradstroy is a department within the city executive committee and we were able to reach complete mutual understanding with the people at the head of this main administration. But I think they will be more enthusiastic about enlarging the scope of the experiment if their political consciousness can be undergirded by a little more solid material interest...."

As our discussion revealed, the future of this progressive new approach to apartment construction is going to require another look at and revision of a number of construction norms and financial procedures and instructions. A number of questions of a more theoretical nature have also arisen. How, for example, would we define the process involved in custom decoration and furnishing in accordance with individual occupant preferences: is it a type of continuous construction process or is it a consumer service?

Who should be responsible for actually fulfilling these occupant requests? The contracts administration? Or perhaps the consumer services people, or maintenance and repair organizations of the housing and municipal services office? For the fact is that these organizations are in a better position to avail themselves of the services of highly skilled workmen and to offer a broad assortment of materials and furnishings for use in apartment construction.

Gosgrazhdanstroy SSSR and Gosstroy RSFSR have so far made no really constructive contribution to the search for answers to the questions raised by the Leningrad experience. In adding to and improving upon experience gained to date, it would be to some advantage to enlarge upon it to the extent of launching it as a major, large-scale economic experiment with a view to enriching this progressive initiative with creative contributions from many other Russian city planning and design organizations.

8963

CSO: 1827/94

CONSUMER SECTOR POLICY AND ECONOMICS

UKRAINIAN TRADE MINISTER CITES INDUSTRY GROWTH

Moscow KOMMERCHESKIY VESTNIK in Russian No 24, Dec 84 pp 28-30

[Article by V. Starunskiy, Ukrainian SSR minister of trade: "The Times Dictate Methods of Work"]

[Text] During the 11th Five-Year Plan, the system of study of demand in Ukrainian SSR trade developed and acquired real contours both quantitatively and qualitatively. Special subdivisions were organized at all levels of operation of the sector, beginning with the apparatus of the ministry and ending with large retail enterprises. In previous years, trade specialists became convinced step by step of the importance of information on market conditions and the population's demand as well as its role in practical work, especially in substantiation of orders for requisitions of goods.

Basic emphasis was on the creation and strengthening of services for study of demand at the wholesale level, inasmuch as it is in response to the buyer for satisfaction of a need for various products and the balanced state of the consumer-goods market. This is shown by the number of released merchandising specialists who were engaged in the collection, processing and analysis of data on the population's demand. There are about 600 persons in this part of trade.

It should be said that many wholesale organizations have already acquired a certain experience in making specialized observations of the market, established contacts with business partners and utilized rather effectively the obtained information in practical work--in compiling requisitions and orders for production and delivery of goods, effective correction of assortment, use of stocks to advantage, allocation of commodity resources and creation of a trade assortment.

They may be said to include republic offices of Ukrkul'ttorg and Ukroptbakaleya, the Donetsk and Dnepropetrovsk bases of Ukroptkhozorg and Mebel' Wholesale-Retail Association. There painstaking work is constantly going on assortment based on received data on demand, goods are shifted among

the oblasts, and in the final analysis the customer is the winner as he can acquire the items that he needs without big losses of time.

Taking into consideration the accumulated experience and the created information base for the republic's trade, introduction began in 1980 of an integrated system of study and forecasting of demand. At the present time, 180 enterprises and organizations have begun functioning in the experiment. They include 4 republic wholesale offices, 47 bases, all oblast and one city trade administration and 152 retail enterprises. The experiment proved not only the importance and viability of the System of Complex Study and Forecasting of Demand but has also disclosed a number of problems connected with its functioning, first of all the necessity to stimulate work on study of demand in industry.

I do not want to repeat truisms and appeals on the extreme need to raise the level of work on study of the market at the new qualitative level. The present state of market conditions, mobility and dynamism of demand and the ever-growing demands of customers speak for themselves. The assortment of goods circulating in the market according to estimates of specialists amounts to several million varieties.

What is more, could we in the beginning of the sixties imagine such provision of the population as now with goods of cultural and everyday use, for easing work in the house and on the private plot and for sports and recreation? And if we take the wardrobe, on the average it contains for the adult an average of 23 units of basic types of outerwear: coats, raincoats, suits, trousers, jackets and so forth. As for footwear, our average per-capita use is higher than 5-10 years ago. Today no one uses the same suit to go to work, to visit friends or on excursions. Clothing and footwear have begun to be broken down into everyday, special occasions, for sports, recreation, for youth, the elderly and so on.

What does this show? In order to deal with such a tremendous mass of goods and to properly direct the process of consumption in the interest of each individual and society as a whole, skillful purposeful work is required for rationalization of consumption, education of tastes, culture of dressing and creation of demand.

Together with industry, we are doing work on increasing the output of stylish goods, which the population needs today. I might point out that individual items in regard to quality of execution and use of materials are in no way inferior to well-known foreign models.

For example Dom Odezhdy [House of Clothing] in Kiev is one in which trade is organized on the "wardrobe principle." By following the line of a certain size, it is possible to select clothing for oneself for all seasons as well as accompanying items. This means that one can get in a single store a set of items in the style, color and tone which will constitute the finished ensemble. In this way we influence the taste of customers.

True, it should be noted that to orient the customer, to change his attitude toward domestically made products is not a simple matter. Here a great deal

depends on the industry, which must march in the vanguard of style and dictate its changes rather than submit to an uncontrolled current. Trade would support it in propagandizing and advertising the best examples of goods. Industry so far has been unable to completely satisfy buyers' demand. Stylish items occupy an insignificant relative share in the production program. Of course, we know that industry has its own difficulties, for examples, with raw materials, capacities, personnel. Despite this, the customer expects high-quality goods, and we are getting from industry an increase in their output.

To point out in what direction consumption should be developed is a matter for scientists. Both trade and industry have at their disposal a certain scientific potential and scientific-research institutions which are able to deal with such questions, especially those connected with rationalization of consumption. This research problem has now been undertaken by the Ukrainian affiliate of the All-Union Scientific-Research Institute for the Study of the Population's Demand for Consumer Goods and Market Conditions. It should be noted that certain aspects of it were studied formerly in developing indicators of norms of rational use of durable goods and items of light industry. For the first time research in depth is being conducted on five complexes: nutrition, clothing, housekeeping, recreation and movement.

What do we expect from science in this case? First, valid proposals for improving assortment, organization of trade and standards of consumption. Second, a forecast of development of needs and consumption in two variants: goal and resources. In other words, what and how much will be needed for securing satisfaction of the population's demand for these goods (goal guideline) and how much can be produced on the basis of existing production possibilities, labor and raw-material resources and developing tendencies in the market.

Then, having sound calculations and forecasts for these very important consumption complexes, it will be possible to work out prospects of development of the market of goods for trade and in industry, to ensure a balance of supply and demand and to avoid disproportions.

Another development is directly associated with this problem--study of the satisfaction level of the demand of young people for outerwear. Representatives of the Central Committee of the Komsomol of the Ukraine took an active part in this work. They helped to distribute the survey questionnaires. More than 1,000 persons from 16 to 30 years of age of all social and economic groups of youth were surveyed. Materials were also used of Molodezhnyy Store and other trade enterprises. As a result of carrying out an analysis of the market for these goods, proposals were developed for improvement of the assortment.

Questions of youthful style, education of taste and culture of use are now being given the most intent attention in the republic, and public organizations are being involved in this work. A joint decree of the Secretariat of the Komsomol Central Committee and the collegiums of the Ukrainian Ministry of Trade and Ministry of Light Industry created a Republic Coordinating Council for the Development and Improvement of Youthful Style whose unique slogan is that the problem of satisfying the demand for young people's clothing should be solved by youth themselves. Komsomol-youth

mechanized brigades (about 500) have been created for this end at enterprises which produce such items. Fairs and reviews of their products are held regularly. Here burning questions of the day are discussed. Then these items are sold in a store and observations are organized of their sale and reaction of the youth.

In addition, it is proposed to further develop the network of stores specializing in the sale of goods for young people and to set aside separate premises at wholesale bases for storage and sorting of items and to organize their accounting.

Undoubtedly, not only goods for youth but also other products of light industry are the most mobile and the most complex both in regard to production and in regard to sale. Consequently the question now is so timely of studying not demand as a whole for these kinds of articles as for a clear knowledge of the opinions of concrete groups of consumers. This year, taking into consideration the importance of the problem, the affiliate of the All-Union Scientific-Research Institute for the Study of the Population's Demand for Consumer Goods and Market Conditions proposed to the Ministry of Light Industry to carry out the following theme: to study the typology of the population of the UkSSR on use of articles of clothing and footwear. In principle, manufacturers are not against this topic, but I would like to draw attention to one question.

Despite the fact that of late interest in materials of market research has also grown significantly on the part of industry, it still cannot be said that the psychological barrier has been completely overcome in regard to the value of information on different market situations. It is still being perceived as something abstract, not providing a directly palpable economic effect. Therefore, before ordering some topic, the question must immediately be put: What actually will be subject to introduction after the research? The fact is that we have become accustomed to seeing quite real things as an item of introduction, for example, a new method of securing soles to footwear, of working stitches, some lathe attachments. And information? Of course, it is difficult to obtain an immediate effect expressed in concrete figures from the introduction of the results of study. Finally, this brings about a stable condition of the market, a correspondence of supply and demand and what is especially important, the level of satisfaction of the needs of the population goes up.

In this connection, I would like to touch upon the following question. Actually, work on the study of demand in the sector improves with each year. The affiliate of the All-Union Scientific-Research Institute for the Study of the Population's Demand for Consumer Goods and Market Conditions, which is responsible for methodological guidance of the system, provides the services with the necessary normative and methodological materials.

Thus this year practical workers have made a number of comments on the compilation of market-condition surveys, as they wanted to see in them concrete and operative data, proposals and forecast treatments of the development and tendencies of change in demand. Then the affiliate's staff workers in cooperation with the Department for the Study of Demand and Market

Conditions of the Ministry of Trade worked out a plan-diagram for compiling a thematic survey. On the basis of this scheme, a survey was already made of the state of satisfaction of demand for outer knitwear and clothing. It received the approval of customers. Or another example: methodological recommendations were worked out for the study of demand at the oblast level.

Organizational questions are resolved by the Department for the Study of Demand of the UkSSR Ministry of Trade. Each year, a large number of special measures are carried out in the system for acquiring additional information on the state of the market for individual goods: hundreds of exhibits and sales, market-condition conferences, buyers' conferences and studies of individual goods markets. In distinction to prior years, when exhibits and sales were organized more for stimulation commodity turnover than for studying demand, today surveys are made of the population and trade specialists at them, the data are generalized and the results are used in operative commercial work.

A great deal of attention is now being given to one of the burning topics of the day: analysis of the causes of formation of unpopular goods that won't move and working out of proposals for normalization of commodity stocks. What does this do? First, after determining the reasons for goods settling in a certain region, it becomes clear as to what was responsible for the appearance of remainders--be it violation of delivery contracts or excessive bringing in of goods. Second, the possibility appears to solve the fate of these goods--be it to reallocate them among oblasts or go to industry with proposals of replacing the assortment.

The collection, generalization and analysis of materials relating to the study of demand are conducted in conformity with developed normative and methodological documents. In other words, there exist a "union" of science and practice, mutual assistance and cooperation, and the process of improving market research is an ongoing one.

But what is responsible for the alarm? A great deal of time-consuming work of securing data on the state of the market does not always yield the expected result. So far the level of use of this information has been low in the practice of planning and management of the sector. And most often very valuable information goes into the solution of isolated specific questions without relation to the whole cycle of commodity movement and without encompassing all aspects of the interrelations of trade and industry. Why does this occur?

Let us look at the statistics. They are always more convincing than any words. Over the past years of the five-year plan, the system of study of demand has remained stable in trade. In industry, the situation in regard to the special services is as follows: in 1977--78 specialists were released, in 1980 the figure dropped to 54, while in 1984 a certain increase occurred in the system of the Ministry of Forestry Industry (72 persons). At the same time, the figures were 17 for the Ministry of Local Industry, 3 for the Ministry of Forestry Industry and 1 for the Ministry of Fruit and Vegetable Industry. If we were to look at the oblasts, in Cherkassy Oblast there was one released specialist for all the industrial enterprises.

It is difficult to solve questions at the necessary level with such manpower. For this reason it is also difficult to close the circuit, to obtain comprehensive information on the market and even more to use it in the aggregate. Regardless of how well this work might be organized in the sector, if a corresponding base in industry and coordination of this work for the region as a whole were to be lacking, the operation could not be corrected.

To operate such a dynamic and very complex mechanism as the market is very difficult without having for this strong organizational support in the form of an effective system of demand study in industry.

Questions of coordination and improvement of this work in trade and other sectors of the national economy are constantly brought up at meetings of the Interdepartmental Council for the Study of the Population's Demand for Consumer Goods attached to the UkSSR Ministry of Trade. But since it does not have means of influencing other ministries and departments, recommendations relating to them simply remain recommendations. If this question were to be looked at not from a departmental but from the state point of view, it would be found that we all together are doing the same thing. The end result--to increase the availability to the population of high-quality up-to-date goods with minimum outlays on their production and sale--is well known, and success depends on our mutual efforts.

Our efforts at developing the consumer-goods market dictate new methods of solving those very complex problems which emerged before us just 2-3 years ago. It was found necessary to look at many aspects of commercial work in a different way and to look for ways of improving it in the sectors and also for strengthening business contacts with partners so that problems of study of demand and market conditions would be considered in the same key. We see in this the basic idea of the experiment being conducted on the introduction of a system of complex study and forecasting of demand. But here things should be so arranged that partners would be able to speak "on equal terms," that is, services would have to be created for obtaining commercial information in the industry. Then it would be possible to count on complex acquisition of data on demand and utilization of market-research materials in practice.

All these problems must not be postponed for tomorrow and we must clearly know that problems of operating the market, rationalization of consumption and creation of demand are our current everyday work for today.

COPYRIGHT: "Kommercheskiy vestnik", No 24, 1984

7697

CSO: 1827/95

CONSUMER SECTOR POLICY AND ECONOMICS

ECONOMIC EXPERIMENT RESULTS FOR LIGHT, FOOD INDUSTRIES ANALYZED

Moscow FINANSY SSSR in Russian No 12, Dec 84 pp 3-11

[Article by V. A. Rayevskiy, chief, Light and Food Industry Financing Administration of the USSR Ministry of Finance: "Initial Results and Future Prospects for the Experiment in the Light and Food Industries"]

[Text] For almost a year now a broad-scale economic experiment has been conducted in industry and the service field. New forms and methods of management have been checked out, and this is an important condition for putting the finishing touches on the economic mechanism with which our country will enter into the 12th Five-Year Plan.

The basic principles and conditions of this experiment derive from the necessity for expanding the rights of associations and enterprises in planning, organizing wages, re-tooling production, as well as strengthening the thrust of the incentive system to achieve end results, increasing the importance of economic norms in forming indicators of economic activity and monetary funds aimed at the further growth of production, increasing its effectiveness, along with the social development of associations and enterprises.

In the present article we dwell on the experiment's initial results and future prospects in the light and food industries, where their application has its own characteristics. One of the most important tasks, at whose solution the economic mechanism must be directed, is organizing the production of consumer goods in such a way as to flexibly react to the present-day level of demand, and capable of satisfying the public's growing needs with regard to quality and assortment. And so the economic mechanism must facilitate the fulfillment of the plan tasks with regard to the outpacing growth of production of Group B industrial goods, increasing commercial resources, and strengthen work incentives, based on a balance between the demand for and the supply of goods.

The first to make the transition to the new operating conditions in the sectors noted above were the associations and enterprises of the Ukrainian SSR Ministry of the Food Industry and the Belorussian SSR Ministry of Light Industry. Selection of these ministries corresponds best to the experiment's tasks. Represented within them is the entire diversity of conditions characteristic of the sectors of the light and food industries. Associations (enterprises) engaged in the preliminary processing of raw materials are largely dependent on the characteristics of the calculations for agricultural output. The enterprises engaged in turning out finished products must, in close contact with the

trading organizations, study the demand, react sensitively to it, effectively switch the resources around, and satisfy to the maximum the needs of the public for goods in the necessary assortment and quality. The economic services of these ministries have steady traditions of inter-action with closely allied production sub-divisions of the administrative apparatus at all its levels--ranging from the ministry, the republican industrial association, to the primary unit--the production association (enterprise). Good experience in economic-planning and monitoring work has also been accumulated in the central functional departments--the Gosplans and ministries of finance of the Ukrainian and Belorussian SSR's, as well as the republican offices of USSR Gosbank and USSR Stroybank.

The finishing touches on the experiment in the sectors of the light and food industries have been facilitated by the accumulated experience of using normative methods in planning and providing material incentives for production in a number of republican ministries, departments, and individual associations of many Union republics. This experience has revealed the need to strengthen the system of the centralized funds and reserves of higher-ranking organizations, the creation of a reserve for covering needs which arise during the course of fulfilling the plan at the enterprise level, affirming the economically justified norms for working capital with the participation of bank credits, as well as refining the procedure for the formation and practical utilization of the norms for distributing profits.²

It is interesting to re-examine the characteristics of the conditions of the economic experiment in the light and food industries through the refraction of its general positions. Expansion of the rights of associations and enterprises in planning and economic activity affected, first of all, the reduction in the number of indicators approved by the higher-ranking organization: for the Ukrainian SSR Ministry of the Food Industry in the five-year plan--from 14 to 8, for the Belorussian SSR Ministry of Light Industry--from 15 to 7, while in the one-year plan for both ministries it declined from 25 to 9. To make up for this, the number of norms for which, depending on the end results, monetary resources are formed, necessary for developing and stimulating the production and satisfaction of the group's social needs, even increased somewhat. While earlier in the five-year plan only the norms for forming the economic-incentive funds and the YeFNRT [expansion unknown] were authorized, under the experiment instead of authorizing absolute rates for the wage fund and the quotas for blue and white collar workers, there was in effect an additional norm for the increase of the wage fund for industrial personnel as a reward for increased commodity production. Wage funds in these same amounts have been approved for enterprises and facilities newly being put into operation, for non-industrial personnel and supernumery staff. In the one-year plan a norm has been approved for deductions from the calculated profits to be contributed to the budget instead of absolute amounts of payments to the budget by their types. Accordingly, if previous work was evaluated for 7--8 basic indicators, under the experiment of their total number has been sharply reduced, and a list has been established for each ministry, proceeding from the key tasks of the five-year plan.

In the Ukrainian SSR Ministry of the Food Industry, when the results of work and socialist competition are summed up, the higher-ranking organizations and the local organs utilize the following three indicators: the sales volume of

the products, proceeding from the obligations with regard to deliveries by the products list (assortment), quality and deadlines in accordance with the terms agreed upon; a specific proportion of high-quality products within the total volume of production; increase in the profits. In the Belorussian SSR there are five indicators. In addition to the ones mentioned above, for the purpose of evaluating activity, it accords attention to the growth of labor productivity and the putting into operation of production capacities by means of state, centralized capital investments. For the other ministries taking part in this experiment, evaluation indicators have also been established, taking into account the specifics of their operation. In time, after experience has been accumulated, this will allow us to unify the system of evaluation indicators.

The experiment being conducted in the light and food industries includes a number of positions designed to ensure the flexible adaptation of production to demand. In the Belorussian SSR Ministry of Light Industry the production program with regard to assortment is fully planned by the production associations (enterprises) independently on the basis of control figures, orders from customers, having set forth the limits of material-and-technical resources and the results of the wholesale sale of items at republican and inter-republican fairs.

Upon the proposal of the Ukrainian SSR Ministry of the Food Industry it was granted the right to permit associations (enterprises) to sell products not chosen by consumers during the course of a month in accordance with allocated stocks to other trading organizations upon their inspection; moreover, the products sold in such a manner are to be counted toward fulfillment of the plan for deliveries. This was caused by the fact that the trading organizations with which the producers are connected by economic agreements for deliveries sometimes refuse to accept the products ordered by them, whereas in other oblasts and rayons the demand for such products has not been satisfied.

Furthermore, the procedure of changing plans, which previously was operative only in the baking industry, has become widespread in the production associations (enterprises) of the pasta and food industries at the local level. As a rule, they operate on the basis of daily orders from the trading organizations, and now, in case of necessity, they can reduce the output of products, taking demand into account and thereby economizing on flour, oil, and other raw materials. In case of necessity, the reduction in profits is made up for by the ministry by means of centralized reserves.

Effective re-structuring of production is also being facilitated by granting permission to the Belorussian Ministry of Light Industry to set wholesale and retail prices on the initial test batches of items, with a limited period of validity for a total of as much as 500,000 rubles, as well as directly to the associations (enterprises)--up to 100,000 rubles.

Operation during the years 1981--1983 on the normative method of distributing profits has shown that in the sectors which depend on agricultural raw material the collecting of guaranteed sums of payment for the budget when the profits plan has not been fulfilled, connected, for the most part, with the non-delivery of raw materials, the worsening of its quality, and substituting more expensive materials for them, leads to a significant shortage of working capital.

This makes it difficult to make calculations on a farm and complicates the provision of financial support for measures to prepare revisions for the new season. Under the existing conditions for calculations one and the same quality of raw materials can have a different evaluation as a result of various surcharges on prices which are unconnected with quality.

The Bakmoloko Association of the AzSSR Ministry of the Meat and Dairy Industry, as a result of replacing natural milk by dried milk and dried cream in the production of condensed milk, instead of 2.6 million rubles of profits in accordance with the plan, obtained 1.6 million rubles, of which 1.3 million rubles went into the budget. The shortage of their own working capital exceeded 1.6 million rubles, or double the norm. For reasons beyond its own control, the association turned out to be in a difficult financial situation in calculations, and this had a negative effect on the completion of production tasks.

Experiencing the same kinds of results as to calculations were the Chernovitsy Dairy Industry Association of the Ukrainian SSR Ministry of the Meat and Dairy Industry, the Goris Cheese and Butter Plant of the Armenian SSR Ministry of the Meat and Dairy and the Estonian SSR Ministry of the Meat and Dairy Industry, as a result of which the decision was taken to cease conducting in them the experiment of the normative distribution of profits.

An analogous situation took shape in 1984 with respect to the Ukrainian SSR Main Administration of the Horticulture, Viticulture, and Winemaking Industry, where the outlays for sugar contents were double the plan calculations. This total amounts to almost half of the total profits. Calculations with the budget regarding the absolute total of payments would have led to great financial difficulties. The Ukrainian SSR Main Administration of the Horticulture, Viticulture, and Winemaking Industry requested that the plan be adjusted, at the same time posing the question of putting an end to the experiment of distributing profits.

It should, however, be borne in mind that the very possibility of adjusting the plan to unaccounted-for factors exerts a negative effect on the practice of planning, weakening the responsibility for its quality of balance. Taking this into account, it was established by the conditions of the experiment in the Ukrainian SSR Ministry of the Food Industry and the Belorussian Ministry of Light Industry that, in case of non-fulfillment of the profits plan, the profits withholding tax for the budget will be carried out in accordance with the approved norm. To a considerable degree (under the conditions of a high payments quota) this mitigates the consequences of unaccounted-for factors in the formation of the plan.

Nor does the system of distributing the profits of the sectors involved in the preliminary processing of agricultural raw materials in the Ukrainian SSR Ministry of the Food Industry provide for payments for funds. The norm for the profits withholding tax for the budget has been constructed not from the calculated but from the balanced profits. The fact of the matter is that payment for the funds in these sectors functions in the same way as the contribution of a guaranteed absolute sum of profits withholding tax. It does not depend on fulfilling the plan for profits, and its base--the fixed production assets and the normed working capital--is quite stable. Moreover, we must bear in mind that

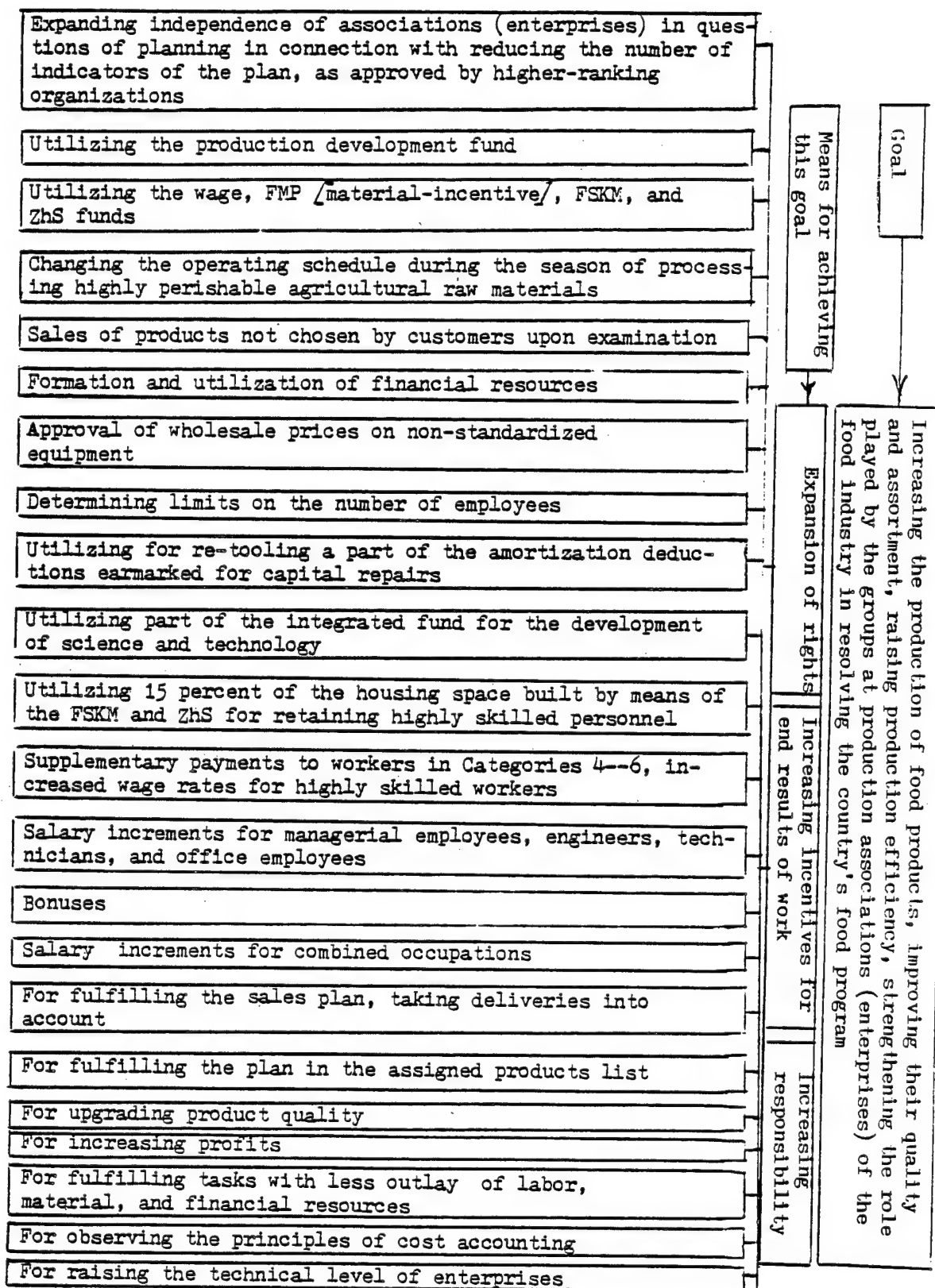
circumstance specific to the sectors engaged in the preliminary processing of raw material, namely that the task of reducing losses of raw materials in storage and processing requires that all measures be taken to increase production capacities for curtailing the processing season. Putting payments into the funds here is more apt to complicate the provision of incentives for improving operational indicators. Therefore, under the conditions of the experiment, associations (enterprises) of the sugar, essential oils, starch-and-syrup, alcohol, tobacco-curing, and baking industries, as well as enterprises of the food industry under local jurisdiction, were freed from the obligation of making payments to the funds.

Other positions with regard to expanding the rights of associations (enterprises), strengthening the provision of incentives and responsibility for the end results of work basically corresponded to the general positions of the economic experiment, as adopted by the decree of the CPSU Central Committee and the USSR Council of Ministers, dated 14 July 1983. But in order to characterize the entire complex of levers and incentives with a grouping by directions and means of exerting influences on the end results, let us cite what is, in our opinion, a successful schematic from the booklet published by the Ukrainian SSR Ministry of the Food Industry for explaining the essence of the measures being conducted (see the schematic on the following page).

In connection with this, we must dwell separately on the organizational questions of supporting the experiment, including the means of visual agitation. They are called upon to facilitate the social and labor activity of the groups in discovering production reserves, which is particularly important in expanding the scope of the experiment.

Both in the ministries themselves which are participating in the experiment as well as in the republican planning, financial, and banking institutions, measures regarding its organizational support have included seminars for studying the normative documents, conferences of party-economic activists, scientific-practical conferences for elucidating the goals, tasks, and conditions of the experiment, the publication and dissemination of visual aids. This has allowed us to convey to the workers, brigade leaders, foremen, shop chiefs, all the engineering and technical workers, and office employees the problems confronting the labor groups with regard to successfully carrying out the experiment. In accordance with the decree of the CPSU Central Committee and the USSR Council of Ministers, dated 14 July 1983, great importance is attributed to the comprehensiveness of carrying out the positions of the experiment, as well as to the well-grounded justification and balanced quality of the plans. Therefore, within the ministries, associations, and enterprises special commissions have been created which coordinate the activity of production and economic services.

A positive influence of the economic experiment's levers and incentives has already manifested itself in the process of forming counter-plans and socialist pledges. During the course of working up the plan based on the control figures, the groups at the associations (enterprises) of the Ukrainian SSR Ministry of the Food Industry introduced proposals to increase production volume by almost 300 million rubles, raise the assigned task with regard to the growth of labor productivity by 1.1 percent, and increase profits by 19.2 million rubles.



Counter-plans provided for the production by the Belorussian SSR of an additional 2.4 million sq. m of fabrics, 320 tons of yarn, 6,000 sq. m of carpets and carpeting items, 800,000 pairs of hosiery items, 150,000 pairs of leather footwear, and other products worth 40 million rubles; the assortment of the most important types of products was to be renewed by 50--70 percent. The output of products with the Badge of Quality was to reach 19 percent. New, improved items with the "N" index were to be turned out in an amount exceeding the assigned task by 30 million rubles.

Preliminary data bear witness that the assigned tasks of the basic plan and the pledges made in the counter-plan have been fulfilled. Meriting particular notice is the fulfillment of the main evaluative indicator reflecting end results--the sales plan, taking deliveries into account, by 100 percent.

Under the conditions of the economic experiment there is now an enhancement of the role and importance of planning the rise in the technical level of production at an enterprise, which is now carried out in accordance with the plan for technical development, as approved by the enterprise's manager and directed at the end result. Granting independence in the formation and utilization of the fund for production development presupposes the strengthening of responsibility for its effective utilization and taking reserves into account in the plan indicators.

A complex of operations with regard to retooling by means of the development fund will allow the Belorussian SSR Ministry of Light Industry in 1984 to ensure the introduction of capacities for turning out 0.7 million units of knitted outerwear, 2.8 million pairs of hosiery items, 0.6 million pairs of leather footwear, and 400,000 units of porcelain-earthenware products. The relative freeing up of manpower amounts to approximately 3,000 persons. Within the Ukrainian SSR Ministry of the Food Industry provision was made during the period January--September 1984 for an increase in capacity for processing 500 tons of sugar beets a day, 1500 tons of bakery products a day, and the production of 100,000 polyethylene bags. Replacement of engineering equipment was carried out at 93 enterprises. New possibilities for turning out products have already been taken into account in the plan indicators for 1985--the second year of conducting the experiment, when the reserves "lying on the surface" will have been implemented, and advancing to the foreground will be the discovery and implementation of deep reserves, connected with the technical progress, modernization, and retooling of production.

Perhaps the greatest effect, together with the new possibilities for retooling production, has been exerted by expanding the rights of associations (enterprises) to utilize wage funds. In the hands of forward-looking managers it has allowed them to step over the lack of personal responsibility which has taken shape, unfortunately, here and there in the matter of wages, as well as to strengthen the material incentives for more productive labor and occupational skills.

Of course, the number of workers receiving supplementary payments in addition to their regular salary rates increased within the Ukrainian SSR Ministry of the Food Industry, for example, almost 10-fold as compared with last year. Their specific proportion now comprises more than 20 percent of the total

number of workers in Categories 4--6. The number of engineers, technicians, and office employees receiving amounts added to their regular salaries has been increased by 30 percent. But it must be borne in mind that these additional amounts are paid out by means of economies with regard to the wage fund, and, as a result of the relative freeing up of personnel by means of increasing labor productivity, these economies amounted to approximately 10 million rubles for the six-month period, which is almost twice as much as last year's amount. And, taking into account the paying out of additional amounts, the correlation between the growth rate of labor productivity and the average wages is much better than last year's indicators. Labor discipline has been strengthened. Because of this factor, losses of working time have been reduced by almost 20 percent.

During the first half-year of 1984 in the Belorussian SSR Ministry of Light Industry supplementary payments for occupational skills were established for 8,300 workers, or about 6 percent of the total number, while for 221 workers in particularly responsible sections increased salaries have been established instead of the regular rates. Labor productivity has increased by 5.8 percent in comparison with last year.

Effective use has been made by the Belorussian SSR Ministry of Light Industry and its associations (enterprises) of the right to set prices on the initial test batches of goods. During the first six months of 1984, and within much shorter time periods than before, prices were set on 186 initial test batches of goods. If previously the setting of prices in the republican organs had usually taken 2--3 weeks and in the union-level organs, 3--6 months, now, for example, the Zhlobin Artificial Fur Factory set a price on its new item (Article 47759) during the course of 7--8 days after the submission of documents and within 13 days following their preparation for coordination. Output of goods at the prices agreed upon exceeded the plan calculations by 20 percent, and the new, improved goods with an "N" index, by a factor of 1.7. At the republican level solutions have been found for encouraging those persons working steadily at high quality indicators of the associations (enterprises). By a joint order of the Ministry of Light Industry, Ministry of Trade, and the Belorussian SSR Union of Consumers' Societies, nine of them have been freed from repeated quality check-ups in the trade network.

A new position allowing for the first time in practice management to create reserves on the level of the primary production unit. During the first half of 1984 in the Ukrainian SSR Ministry of the Food Industry it was created by 91 associations (enterprises), or almost 40 percent of the total number. Now they have the possibility of independently solving problems of financing expenditures the need for which has arisen during the course of fulfilling the plan, to cover financial losses which previously had no sources for such covering. Calculations show that in the future the total sum of enterprises' reserves can be no less than the reserves being created now at the level of the ministry and the industrial associations. And this means that the aggregate reserves of the sectors will be practically doubled.

As we have already mentioned, enterprises of the Ukrainian SSR Ministry of the Food Industry by way of an experiment have been granted the right to sell products not selected with regard to the allocated stocks over the course of a month to other trading organizations and to count this toward fulfillment of the

plan for deliveries. During the period January--August 1984 such a procedure was followed in selling products which had been refused by the local trading organizations--partners with regard to delivery agreements (pasta and confectionary items, wine-making products, canned fruits and vegetables, vinegar, horse-radish, pancake flour, mustard, dried kissel)--in an amount worth almost 40 million rubles. Beginning in the second half of 1984, this procedure has been extended to the associations (enterprises) of all the ministries operating under the conditions of the experiment.

Frequent refusals by trading organizations to accept a previously ordered assortment again places on the agenda the question of their material responsibility. We have already had occasion to dwell on those losses of material resources and labor which are, in essence, a result of the inequitable position of the producer and trade.⁴ If the industry fully bears the material responsibility for the delay and non-delivery of goods in accordance with the agreements concluded resulting from wholesale fairs, then the trading organizations can refuse to receive the ordered goods for 45 days prior to the established deadline.

This leads to a reduction in the responsibility for studying demand, as well as the grounds for the orders made during the time of the wholesale fairs. Also violated are the balance-sheet ties, since calculations of the need for raw materials are made for the assortment which has been sold, transport plans are confirmed, and transport means are allocated. There are likewise increased losses connected with the idle times of expensive equipment spent in unplanned refuelling, a reduction of labor productivity, and an accumulation of above-norm supplies of valuable goods and materials. Within the Belorussian SSR Ministry of Light Industry alone such refusals total as much as 70 million rubles annually.

Obviously, we ought not to completely exclude from the reciprocal relations between partners the right to refuse delivery of ordered goods. Both trade and industry must react to a change in demand. But it is necessary to increase the deadline for refusal and to establish equal material responsibility of both sides for non-observance of the conditions of the agreement.

Also meriting attention in connection with this same problem is the problem of strengthening the material-and-technical base of wholesale trade and its management connections with the industry. At the present time merely one-third of the products are shipped out to the wholesale bases, while, for the most part, enterprises receive from them consignments for transit delivery. For large, specialized associations direct deliveries of goods remain an important form of improving economic ties. They have particularly good future prospects for ensuring production lines with a supply of raw materials. Quite a bit in this direction has also been done in the Ukrainian and Belorussian SSR's. But for the relatively small enterprises of light industry sub-grading by sizes, models, increases, completeness, and colors presents a difficulty. In the Belorussian SSR this problem is being solved in the republican level by achieving an agreement between the Ministry of Trade and the Ministry of Light Industry concerning the predominant shipping in of products to the wholesale bases, where goods will be sub-graded in accordance with all the criteria. An even better solution will be reached for the problem of organizing economic ties by further development of firm-type trade in specialized assortments and by transferring a portion of the wholesale bases to the jurisdiction of the industrial ministries.

It must also be borne in mind that solving the problem of reducing productivity losses sometimes impells a supplier of raw material to adopt more lengthy schedules, which are convenient for him, for example, dyeing fabrics or yarn by colors. This, in turn, moves to the foreground the problem of creating optimal supplies of raw materials and other materials for switching about the assortment at industrial enterprises, expanding warehouse areas, and outfitting them with up-to-date, highly productive equipment.

As must be the case under the conditions of a correctly set up experiment, work under the new conditions has also posed a number of new problems. In the positions on distribution of profits of both ministries it has been provided that the norms of distributing the profits are not subject to change. This position was subjected to verification already at the stage when the plan was introduced. As is known, ministries have the right to create a reserve as to profits by means of setting heightened tasks for associations (enterprises). With the traditional methods of refining the plan by means of reserves the possibility arises of unjustified budgetary losses. This may be seen clearly in the conventional example shown on the following page.

The only possible solution to the problem of preserving and gaining budgetary income, as well as a stable norm, is to compute the profits-withholding tax on the basis of a norm related to the total of the actually obtained profits and the distribution profits, as recalculated for the association (enterprise) by means of the ministry's reserve. Accordingly, in the reference manuals used for calculating the reciprocal relations with the budget the distribution profits are shown on a separate line.

However, in the process of executing the plan other problems also arose, and their solution proved to be more complicated. As is known, the position on the lack of change in wholesale prices over the course of the five-year plan could not be maintained. Changes in the purchase prices, conditions of calculations for raw materials, and other factors made it necessary to introduce changes in the prices; without them it would have been impossible to effectively apply such fundamental principles of cost accounting as reimbursing production expenditures by means of earnings. In connection with fine-tuning the wholesale prices on beer, the industry profits of the Ukrainian SSR Ministry of the Food Industry were increased, while the turnover tax was decreased by 13 million rubles. If the norms had remained unchanged, taking into account the established quota of payments from this total, the budgetary losses would have amounted to 10 million rubles. The same kinds of problems arise in fine-tuning the plan for the results of the agricultural year, in reimbursing expenditures unaccounted for in the plan by means of centralized funds, etc.

It seems to us that one of the basic factors in the efficacy of economic levers is the stability and well-grounded justification of plans, and it is impossible to solve this by means of an unchanged norm. In some cases budgetary losses arise, while in other cases there are farm losses. It is important to improve the practice of planning, to enhance the balanced quality of the plans. And as regards the norm, in cases similar to those cited above it should be changed.

(in thousands of rubles)

	Before formation of reserves			When reserves are formed			Fine-tuning of plan by means of reserves		
	Total	Enterprises		Total	Enterprises		Total	Enterprises	
		I	II		I	II		I	II
Profits	3,500	1,000	2,500	4,000	1,000	3,000	3,000	500	2,500
Profit reserves	--	--	--	500	--	500	--	500	--
Expenditures by means of profits	2,200	500	1,700	2,200	500	1,700	2,200	500	1,700
Payments to budget	1,300	500	800	1,300	500	800	910	250	665
Norm of withholdings, %	37.1	50	32		50	26.6	30.5	50	26.6
Extra-plan, free funds, available to enterprises	--	--	--	--	--	--	385	250	135
Decrease in budgetary revenues	--	--	--	--	--	--	385	250	135

Maintaining the stability of the norm under changing conditions leads to a well-known formalism, which, of course, scarcely strengthens the economic levers and incentives. In accordance with the wishes of the Belorussian SSR Ministry of Light Industry, wholesale prices were reduced on a number of items in 1984. Taking into account the success achieved for it, capital investments were allocated which were supplementary, as compared to the starting conditions. As a result, in order to maintain unchanged the norm as established for two years, it was necessary in the plan for 1985 to provide the financing of capital investments from the budget, although previously they had been fully provided for by means of their own sources. In accordance with the preliminary results of the experiment, both the Ukrainian SSR Ministry of the Food Industry and the Belorussian SSR Ministry of Light Industry have introduced proposals to fine tune the norm once or twice a year, in case there are serious factors of change in formation of the plan.

Operating experience under the new conditions revealed the need to make adjustments in the mechanism of distributing above-plan profits. This created an unequal motivation on the part of the associations (enterprises) for mobilizing reserves to over-fulfill the plan, because, of course, the norm depends on the correlation between profits and the expenditures made on its account. Consequently, the more their own income exceeds expenditures, the less will be the motivation to achieve above-plan results. A solution is to be seen in utilizing the operating experience of the associations (enterprises) in the normative method of distributing above-plan profits (50 and 25 percent at the disposal of the farm), depending on the level of over-fulfilling the plan. But inasmuch as the task has now been posed of taking sectorial specifics into account to a greater degree, it would be more correct to affirm such norms with regard to the ministries within the body of indicators and norms for the five-year plan.

And so the operating experience under the new conditions, as had to be the case, has revealed the most effective and prospective directions for improving the economic mechanism and, at the same time, a number of problems which will be subjected to further study and refinement.

Beginning in early 1985, the scope of the experiment in the light and food industries is being substantially expanded. In the system of the USSR Ministry of the Food Industry the experiment will be continued by associations (enterprises) which produce almost a third of the food output; working under the new conditions in the system of the USSR Ministry of Light Industry will be associations (enterprises) where approximately 13 percent of the entire output of light industry is produced. For the first time experimental trials of the new forms and operating methods will be begun in the meat-and-dairy industry (Belorussian SSR) and the fish industry (RSFSR).

An ever-widening circle of associations and enterprises of various sectors of the national economy is being encompassed by the economic experiment. Growth in the social and labor activism of the Soviet people, which is being facilitated by expanding the rights of associations and enterprises in planning and economic activity, strengthening their responsibility for work results, is opening up new possibilities for improving administration and increasing the effectiveness of all public production. This is the principal factor in achieving the highest goal of the party's economic strategy--the steady upsurge in the people's material and cultural standard of living.

The USSR Ministry of Finance, the finance ministries of the union republics, and the local finance organs pay day-by-day attention to analyzing the course taken by the experiment and its results. We must effectively solve the financial problems which arise in the economy and render day-to-day aid to the economic services of the ministries, departments, associations, and enterprises. Analysis is important as a basis for preparing proposals with regard to adjusting individual positions of the experiment, proceeding from the specific conditions of the appropriate sectors, increasing the effectiveness of the new forms and methods of management. The country's financial organs must make a worthy contribution to the formation of the economic mechanism, which is called upon to mobilize the reserves and potentials for increasing the effectiveness of the socialist economy.

FOOTNOTES

1. FINANSY SSSR, No 2, 1984, p 3.
2. PLANOVOYE KHOZYAYSTVO, No 9, 1982, p 66.
3. In the food industry the procedure of awarding the Badge of Quality was abolished in 1982 because all products must correspond to the GOST [state standards]. High-quality products are relegated to the highest or first-grade products.
4. FINANSY SSSR, No 10, 1983, p 7.

COPYRIGHT: "Finansy SSSR", 1984

2384

CSO: 1827/85

CONSUMER SECTOR POLICY AND ECONOMICS

RUTGAYZER ON MANAGEMENT BY OBJECTIVE IN SERVICES SECTOR

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 1, Jan 85 pp 30-36

[Article by T. Koryagina, candidate of economic sciences, and Prof V. Rutgayzer, doctor of economic sciences: "The Program-Goal Method of Planning Services for the Population"]

[Text] The development of the service sphere is one of the important conditions of raising the people's well-being. At the present time, significant attention is being devoted to the development of theoretical and practical problems of economics of the sphere of personal services. Nonetheless questions of systematic development of service sectors have still been inadequately investigated. There have not been determined exactly the types of activity relating to services for the population that should be included in the "service sphere" and the principles of classification of services in accordance with which they relate to this or that sector of the service sphere. At the same time, the determination of proportions of development of sectors of the service sphere and raising the efficiency of their production depend on the solution of these theoretical problems.

One of the conditions of integrated solution of questions of systematic development of the sphere of services is use of the program-goal method of their planning. This method is being widely employed at the present time--in our country there have been developed such very important national-economic goal programs as the food program, the energy program and a number of others. In the current five-year plan work was started on the preparation of the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population (KPTU).

This program consists of two basic parts: in one of them directions are determined of development of production of consumer goods and in the other--the sphere of personal services. In the part relating to services, economic, production, scientific-technical and organizational targets and measures are determined as well as the time periods for their realization and the necessary resources and performers required for this. All these indicators are calculated while taking into account provision of the most effective directions of development of the complex of interrelated sectors and types of activity relating to the provision of various services to the population which are paid in whole or in part by the population.

Until recently, in working out planned targets for the development of individual service sector indicators characterizing the costs to the population for their full or partial remuneration were not computed. In preparing the service part of the Complex Program, these indicators were determined and in addition integrated methods of calculation of plan indicators of increase of volume of proffered services, the material, labor and financial resources required as well as the capital investment and fixed capital required for this were substantiated for the first time. This required the solution of a number of complex methodological questions of complex planning of the service sphere.

The separating out of paid services from the entire service sphere is rather a complex problem. In a number of services--culture, education, health care, physical culture and sports, housing and others--the development of paid services should be carried out together with improvement and expansion of the services offered free or on preferential conditions, that is, with partial payment. The organization of free (as well as preferential) services to the population presupposes ensuring equal accessibility to the population of important, socially significant benefits, first of all in the sphere of education and health care. In this connection, when determining directions of development of the sphere of paid services, it is necessary to take into consideration designation of the sphere of free services and their role in creating conditions for further improvement of the socialist way of life. The expansion of the sphere of paid services should not restrict the development of free services or improvement of their quality. All this requires elaboration and use of methods in planning the development of the sphere of paid services to the population which would permit their coordination with general conditions of development of the corresponding service sectors.

One of the methods of securing such coordination is that of elaboration of generalized indicators of the volume of services provided the population by individual service sectors with separating out of the parts free to and paid by the population. They make it possible to establish the relationship of paid services to free services, most of which comes from public consumption funds. At the same time, the possibility appears to link the general conditions of development of individual service sectors, a portion of whose work is paid for by the population, to their resources provision.

At the present time, in compilation of national-economic plans, a generalized estimate of the monetary expenditures of the population for paid services is provided. They are determined with the help of conditional calculations in working out the section of balance of monetary receipts and expenditures of the population "Payment of Services and Other Expenditures."

The creation of the section "Services" of the Complex Program of Development of Production of Consumer Goods and the System of Services for the Population required the use of accurate and address methods of planning volumes of paid services. This requires first of all more precise classification of paid services. In addition to the considered earlier types of paid services (in compilation of the "Payment of Services and Other Expenditures"), the classification included services whose volume had been calculated in other

sections of the stated balance, including so-called production forms of personal services.

Production forms of personal services include repair services, services for making clothing, footwear, furniture and other items on orders of the population as well as repair and construction of housing and dry-cleaning services. They are taken into account in the balance of monetary income and expenditures of the population separately from nonproduction types of personal services and are considered as a variety of labor for the fabrication of corresponding consumer goods. These services are included in the corresponding positions of planned commodity turnover.

In our view, the division of personal services into production and nonproduction services is not sufficiently valid. A single designation for all subsectors of personal services to the population and the conditions of their practical operation require their closer unification in planning.

In the separation of personal services to the population into production and nonproduction types and the utilized methods of their planning, it is practically impossible to regulate the relation of demand to supply of personal services and to precisely determine the size of monetary expenditures of the population for their payment. In the planning of nonproduction forms of personal services, the full cost of individual forms of services to the population with inclusion of the cost of materials to an enterprise is taken into consideration. Such a method is necessary for determining the share of expenditures for nonproduction personal services in general expenditures of the population for payment of services within the framework of the balance of monetary income and expenditures of the population. Some nonproduction forms of personal services for the population (repair and making of furniture, footwear and repair of knitwear products) are planned exactly like nonproduction types--on the basis of full cost with inclusion of the cost of materials to the enterprise.¹ But for the basic part of production forms of personal services, plan indicators are established without the cost of basic materials, separately paid by the client (fabric, fur, knitwear material, cotton, sheet wadding, yarn, construction materials, spare parts and others).²

In determining the directions of development of production forms of personal services proffered to the population for cash payment, it is natural that the total cost of these services should be reckoned, that is, including the cost of materials to enterprises. In this connection, estimating calculations are made on the basis of reporting data characterizing the share of material outlays in the total volume of personal services to the population. Moreover, these calculations are made not during compilation of plans of development of everyday services to the population but in the course of working out indicators for the commodity-turnover plan. Such methods of planning do not permit making an exact determination of the aggregate volume of production and nonproduction types of services and their influence on the realization of the population's monetary income.

One of the problems of working out the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population is determining the conditions contributing to the fullest satisfaction of

effective demand for all services--production and nonproduction. In this connection, in the course of development of the Program, personal services for the population are considered as a single sector of the national economy. Unification of production and nonproduction forms of personal services is a question not only of improving the classification of sectors and forms of activity for serving the population but also of raising the efficiency of planning of the entire aggregate of personal services.

At the present time, some forms of personal services in statistics and planning are considered a sphere of application of nonproduction labor, but this consideration in our view does not mean that the sector as a whole cannot belong to material production. The fact is that only a relatively small portion of the entire activity comes under the share of nonproduction labor in this sector. In exactly the same way, for example, in trade, together with production forms of labor, nonproduction forms are also carried out, but trade as a whole, taking into consideration the basic character of the labor used in it, is included, as we known, in material production.

The unification of all forms of services into a single sector of the national economy "Personal Services for the Population" and putting it under material production, creates the necessity of improving the methodology of working out the corresponding section of the five-year plan. It is necessary in particular to determine methods of generalizing monetary evaluation of the results of work relating to personal services for the population comparable for its individual forms.

In the List of Paid Services worked out for the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population, which were considered in plans of retail turnover and in the section of the balance of monetary income and expenditures of the population "Purchases of Goods," other items of this balance are also included--public dining services (in the section "Purchases of Goods") as well as services relating to insurance. These services are considered in a special section of the balance of monetary income and expenditures of the population "Obligatory Payments and Voluntary Contributions."

The List also contains forms of services which up to the present time have not been included in the balance of monetary expenditures of the population for payment of services: services for protection of housing, for technical inventorying and others.

Changes were also made in grouping of positions of paid services compared to that used in the balance of monetary income and expenditures of the population. In particular, grouping was changed for expenditures of the population of transport services (hauling of freight, delivery of tickets to house and others). All of them are accounted in transport-forwarding services for the population inasmuch as the balance of monetary income and expenditures of the population has two forms: "transport services for the population" among nonproduction forms of personal services and strictly "transport-forwarding services" among the services of motor-vehicle and municipal electric transport. Changes were also made in grouping of services of public-use buses: one part of them is included in the List as part of the

population's expenditures on bus transportation and the other under expenditures on intracity transport. Under the group of services of sanatorium-health resort institutions and rest homes there were also included paid services of the population for Pioneer camps, which in the balance of monetary income and expenditures of the population are considered under the position "Contributions to Children's Institutions." Separate types of activity were presented in a somewhat different group. They were included in the balance of monetary expenditures and expenditures of the population under the position "Expenditures on Trips to Sanatoriums, Rest Homes, Tourism and on Treatment at Paid Polyclinics." The group of services provided to the population by kolkhozes, sovkhoses and other agricultural enterprises was segregated. A group of services of a legal character and also a "Miscellaneous" group were introduced.

Thus the List of Paid Services adopted in working out the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population is quite significantly different from the classification used in the compilation of a plan balance of monetary income and expenditures of the population. For the purpose of providing continuity and comparability in calculations of the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population, the plan for the 20th Five-Year Plan and data determined for up to the year 2000, a certain regrouping is made of types of paid services included in the plans and the Program.

One of the basic parts of planning development of the sphere of paid services for the population is validation of the level of need for them, which likewise presupposes a solution of questions connected with the formation and provision of the effective demand of the country's population for paid services. The needs of the population for paid services are determined with the help of a system of rational norms for the USSR as a whole and by union republics. These norms, coordinated with norms of consumption of food and nonfood products, are in essence an ideal model of development of paid services aimed at reducing and easing labor in housekeeping and expanding services for repair of durable goods.³

Rational norms of consumption of paid services are set up without limitations due to the existing and future level of monetary income of the population as well as the consumption inertia of the population in the primary satisfaction of a number of needs by means of self-service within the framework of housekeeping. In validation of rational norms, the need was taken into account of reducing the amount of self-service; it was also supposed that the work of private persons in the satisfaction of the needs of the population for paid services will be in the long term replaced by a publicly organized system of serving the population.

Plan indicators of the need of the population for paid services have to be determined on the basis of the population's demand for paid services ensured by the level of the population's monetary income over the long term as well as real conditions creating the need for self-service and utilization of the operation of private persons in the service sphere. Calculations take into account the influence of change in the size of average per-capita monetary

income of the population and the correlation of the number of city and of rural inhabitants.

At a preliminary stage of developing a forecast of use of individual forms of paid services over the long term, the Scientific-Research Economics Institute attached to Gosplan USSR used two methods mutually supplementing each other. The first was based on interrepublic comparisons. This method is similar to the above-described method of forecasting the macrostructure of the population's monetary income, but instead of data on monetary income average per-capita indicators of expenditures of the population for paid services were used. Moreover, in validating the detailed structure of the population's monetary expenditure for paid services, data were used on the total volume of expenditures of the USSR population as a whole for paid services and the influence of certain specific factors of in the creation of an effective demand of the population for paid services (change in the demographic makeup of the population and others) was taken into consideration.

The second method involved the use of two-factor regression equations characterizing annual dynamics of average per-capita monetary outlays on these or those forms of paid services depending on the total sum of the population's expenditures on paying for services as well as the use of correlation of the size of the urban and the rural population. The influence of specific factors of development of individual types of services was taken into consideration.

In using the aforesaid model, a change in the level of average per-capita monetary income of the population is considered a most important condition of formation of demand for paid services. But it also takes into account that expenditures on individual forms of services practically do not depend on change of income (for example, apartment rent in state housing buildings) or depend insignificantly (for example, expenditures on services of children's preschool institutions). Furthermore, in a number of cases, the influence of specific factors can be more significant than the effect of a change in the level of average per-capita monetary income. For example, in computing the size of the population's outlays on payment of municipal services for the long term the basic factor is change in the level of availability of housing with these or those forms of municipal-service conveniences. In determination of outlays of the population on payment for the services of children's preschool institutions, change in the degree of coverage of children of preschool age by these institutions is such a factor.

Determination of the population's demand for paid services is an initial factor in validation of plan targets on the basis of their development. But there should be considered in these targets not only conditions of creation of the population's demand for paid services but also for material as well as labor resources for their expansion and improvement. A system of national-economic models was used. It had been developed at the Scientific-Research Economics Institute attached to Gosplan USSR which provides for securing adequate reliable data on change in the composition of paid services depending on the size of the aforesaid resources within the framework of the national economy as a whole. Such calculations are of great importance--for the purpose of providing conditions of realization of paid services for the population, more significant capital investment and manpower resources are

required than, for example, for the development of production of consumer goods. In this connection, it is important to determine such directions of development of the whole system of paid services as would make it possible with the allocated resources to attain the maximum possible level of realization of paid services for the population.

In validation of plan targets for the development of individual forms of paid services, an important role is played by their comparison with rational norms of consumption and estimates of effective demand for them. For those types of services for whose development in the prospective period resources are allocated sufficient for the ensuring of full satisfaction of requirements, plan targets should maximally approach forecast estimates of demand and rational norms.

In addition to services paid by the population, a number of sectors have services for enterprises and organizations by written order. Resources for the development of these service sectors are allocated while taking into account all forms of their activity, including those whose results are paid for by written order. In this connection, the need arise of calculating appropriate volume indicators that take into account all these forms of activity.

Such indicators were developed in composing the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population. These aggregate indicators in addition took into account inclusion of the cost of work on their guaranteed repair in the price of durable goods. Indicators of the volume of this work are not included in the balance of monetary income and expenditures of the population. But they are needed for validating resource provision of development of pertinent forms of personal services for the long term.

In the establishment of the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population, methodological approaches were determined for validation of resources provisions of development of the service sphere for the population. The task was to calculate the volume of required resources on the basis of the positions of the List of Paid Services. The mechanism of validating resource conditions of development of service sectors is closely connected to the employed corresponding methods of national-economic planning. For this reason in the creation of the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population, it was not possible to provide full correspondence between the List of Paid Services, on the basis of which monetary outlays of the population for individual forms of services were determined, and the sectorial structure of distribution of allocated resources (capital investment, material outlays and labor resources). Moreover, it was impossible to ensure a sufficiently adequate correspondence among the sectorial structures of distribution of these very resources. Work along this direction should be continued with improvement of the methodology of integrated planning of the development of the service sphere. At the same time, for the purpose of strengthening the interrelation

between planning of the monetary expenditures of the population for individual forms of services and the resources required for this, certain changes would be required in planning methodology.

Raising the efficiency of use of manpower resources undoubtedly is a basic factor of development of paid services, which is conditioned by the very character of consumer value of services in the form of which labor rather than its material results is most often to be found. In the composition of paid services, the principal ones in personal services for the population and in municipal services are such forms of activity whose results are manifested in material form (manufacture of these or those items on orders from the population, repair of apartments, provision of housing with water, gas, electricity and the like). Validation of the conditions of development of paid services with manpower resources in development of the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population was done on the basis of an existing scheme of a balance of manpower resources. However, certain refinements of it were made--the number employed in passenger transport and in connection with serving the population and organization of the nonproduction sphere in distinction to the balance of manpower resources was considered separately.

Classification of sectors and forms of activity for which manpower resources were allocated in compilation of the Complex Program of Development of Production of Consumer Goods and of the System of Services for the Population differed significantly from the List of Paid Services. Coordination of the sectorial and form structures of distribution of manpower resources in the sphere of paid services and of size indicators of services for the population requires refinement of methods of validation of sectorial (type) distribution of manpower resources. These refinements should not be included in the existing scheme of balance of manpower resources, they should be considered in its detailed validation in the process of determining resources provision.

First of all, computation of the number of workers in municipal services needs to be changed. The number of persons employed in providing services to the population should be determined. Inasmuch as part of the work of municipal services is connected with servicing various enterprises and organizations, such selection is possible only with the help of provisional calculations. They must be performed with the help of comparable data on the earnings of communal-service enterprises from serving the population, enterprises and organizations.

There should also be determined with the aid of provisional calculations the number of persons engaged in everyday care, providing services to the population for cash payment and the number of persons engaged in providing services for enterprises and organizations. This calculation should also be done on the basis of monetary assessments of those and other services. From the total number of workers providing services to the population, it is necessary to separate out the nominal number of persons engaged in guaranteed repair of these or those products since their work is not paid directly by the population. This will make it possible to determine the number of workers providing the population with paid services.

Refinement is required of the number of persons employed in paid services in education, health care, physical culture as well as culture and art. For some types of paid services, the number of workers can be determined solely with the aid of direct calculations. Grouping of size should be done in accordance with the List of Paid Services.

The grouping of sectors and types of activity employed in determination of investment resources in the Complex Program of Development of production of Consumer Goods and of Systems of Services for the Population significantly differs from the List of Paid Services and from the classification used in allocation of manpower resources. Capital investment in some service sectors is calculated on the whole without consideration of expenditures on the development of their specific paid forms. In our view, a more differentiated computation of capital investment in the plan period is needed for determining the prospects of expansion of paid services for the population.

The amount of material-technical resources required for ensuring the development of the sphere of paid services for the population was determined during working up the Complex Program of Development of Production of Consumer Goods and of Systems of Services for the Population. The need for these resources is computed per thousand rubles of sale of paid services, which has made it possible to show the change in material intensiveness of paid services by type.

In addition to determination of differentiated need for individual forms of material-technical resources, a generalizing description of their whole aggregate is needed. In substantiation of plan indicators of improved people's well-being, generalizing indicators of material expenditures of development of paid and free (at the expense of public consumer funds) forms of services for the population. But only nonproductive forms of services are taken into consideration in this. The system of paid services also includes productive forms. In this connection, there should be distinguished among all material expenditures determined for the service sphere as a whole that share which is connected with paid services for the population regardless of whether corresponding services belong to material production or to the nonproduction sphere.

FOOTNOTES

1. See "Metodicheskiye ukazaniya k razrabotke gosudarstvennykh planov ekonomicheskogo i sotsial'nogo razvitiya SSSR" [Methodological Instructions for Working Out State Plans of Economic and Social Development of the USSR]. Moscow, "Ekonomika", 1980, p 710.
2. Ibidem.
3. A system of such norms was developed by the Scientific-Research Economics Institute attached to Gosplan USSR jointly with institutes of gosplans of union republics and sectorial scientific-research organizations.

4. Rates vary for one and the same paid municipal services provided for the population, enterprises and organizations. This requires carrying out of special calculations for the purpose of obtaining comparable monetary estimates.

COPYRIGHT: Izdatel'stvo "Ekonomika", "Planovoye khozyaystvo", 1985

7697

CSO: 1827/90

CONSUMER SECTOR POLICY AND ECONOMICS

REPRESENTATIVES OF FOOD ENTERPRISES ON UKRAINIAN EXPERIMENT

Moscow SEL'SKAYA ZHIZN' in Russian 21 Feb 85 p 2

[Article by N. Demikhovskiy and M. Zarayev, newspaper's special correspondents, reporting from Kharkov Oblast: "Gains and Errors: The Economic Experiment in the Ukraine's Food Industry"]

[Text] This is the second year that the Ukraine's food industry has been working in a new fashion, under conditions of the large-scale economic experiment. More than a thousand enterprises have been granted broad economic-management rights and provided with additional economic incentives. To what extent has this helped increase the production of foodstuffs, improve their quality and expand their assortment? What is such a large-scale experiment demonstrating, and what problems are arising in the course of working in the new fashion? In order to answer these questions, the editors, together with the Kharkov Obkom of the Ukrainian Communist Party, organized a round-table discussion among representatives of food enterprises and the oblast's associations.

Incentives in Action. In preparing for the meeting, we visited various oblast enterprises. In a shop in a confectionery association, we recalled an old joke. "I understand everything," admitted a kind of latter-day know-it-all: "how a proton synchrotron works and how a jet plane flies, but the only thing I absolutely can't understand is how the filling gets into a caramel." "Well, now you see for yourselves how it's done," smiled Yu. A. Kulik, the association's general director, to whom we mentioned the joke.

Before our eyes, a sweet fruity mass was being injected into a thick braid of caramel. The braid, continuing its movement, became thinner and thinner and then entered an automatic device, after which the finished caramel headed for the wrapping machine.

Candy is one of the many types of products produced by the oblast's food industry. Nearly a billion rubles' worth of various products are produced by associations in the sugar, alcoholic-beverages, bakery, and beer-and-nonalcoholic-beverages industries, an oil-extraction plant, tobacco and pasta factories and a number of other enterprises in the oblast. And the employees of each one of them are concerned not just with meeting their plan assignments for the sale of output but also with fully satisfying the requirements of all their customers and meeting their delivery commitments.

A good many difficulties arise. Nonetheless, the participants in the meeting unanimously stated that the experiment had justified the hopes placed in it. Last year's plan for the sale of output, taking into account delivery commitments, was fulfilled not just by Kharkov Oblast's enterprises but by food enterprises throughout the entire Ukraine. More top-quality products were produced, and profits increased. Now the number of so-called directive indices, i.e., those that are confirmed by higher organizations, has been sharply reduced. Incentive funds, used to provide bonuses to employees, carry out social and cultural measures and develop production, have grown in size. Collectives have gained greater freedom in the disposition of their wage funds. Savings are making it possible to set higher wage rates for various categories of employees and to provide extra pay for combining occupations and attaining high skill ratings. It has become feasible to fulfill planned production volumes with fewer people.

"According to normative rates, our collective should have 58 employees," said A. I. Kovalenko, shift chief at the Pervukhinskiy Sugar Refinery, "but we decided to cut out four of them. The money saved was distributed among those who combine occupations and possess high skill ratings."

Did this help improve production indices? Of course! The collective processed from 636 to 638 tons of sugar beets per shift, as against a plan assignment of 630 tons. Workers' earnings grew too. Wage supplements and extra pay to workers averaged 13 rubles per month for the association as a whole. Furthermore, the total number of personnel was reduced by 312 persons in a year!

The same process of an absolute or relative reduction in the number of employees and increase in earnings is occurring in other branches too.

Does this mean that the economic mechanism needs no further adjustment? No, one still encounters flaws and errors at all levels of production.

Here is what bothers T. P. Zhilnovach, a brigade leader in the confectionery association: according to the terms of the experiment, extra pay can be paid to piece-work workers who are in skill categories higher than the third. But female employees in the second skill category make up one-third of all employees in the association as a whole. What sort of incentives can be provided to them? The regulations need to be revised.

Missing Links. Relations among production units at the enterprise level are becoming more complex and contradictory. L. A. Cherginets, the sugar association's general director, told what a difficult position all 12 of the oblast's sugar refineries have found themselves in. They prepared more carefully than ever before for the past refining season. Tens of thousands of square meters of storage areas received hard surfaces, ventilation facilities were substantially expanded, procurement stations got a good many new clamping machines with a greater load capacity, and a great deal of new equipment was installed in shops.

As a result, the refining season proceeded at a stable and regular pace, outlays of labor and energy resources were reduced, and the beet sugar yield was

one of the highest in the republic. Unfortunately, however, they had nothing special to be glad about: refineries received substantially less beets than they had counted on. Because of poor crop yields, a third less beets than planned were processed. According to the terms of the experiment, it is possible to make revisions in the plans of enterprises that process agricultural raw material in accordance with procurement results. Therefore, the UkSSR Ministry of the Food Industry adjusted the Kharkov sugar refineries' production plan.

It would seem that the association did not suffer: its assignment for refining sugar from beets was fulfilled. However, G. I. Kireyev, head of the economic planning department, called attention to the following detail: While expending their wage fund, the sugar refiners still produced less final output in an absolute sense, even though this was not their fault. That means that the ratio of the growth rate of labor productivity to the growth rate of average earnings was worse than it had been in the previous year, when there was a good harvest.

"Evidently," noted Prof. P. P. Borshchevskiy, a department head at the UkSSR Ministry of the Food Industry's Institute for the Advanced Training of Executives and Specialists, "such indices should be compared not with last year's but with the average yearly indices for the previous five years. Then the evaluation would be more objective. This is also an urgent question for other branches that process agricultural raw material."

Of course, by no means all questions of relations among units in the agro-industrial complex have to be decided in Moscow or Kiev. A great deal can be done locally, within the framework of oblast and rayon agro-industrial associations. Losses, which are still high, were the subject of special discussion. I. I. Yuzefchuk, deputy general director of the sugar association, believes that farms continue to rush the harvesting of sugar beets. This results in a failure to harvest all the beets and a reduction in sugar yield.

The confectionery enterprises, for whom, in contrast to the sugar refineries, the plan was adjusted upward, are not satisfied with their relations with raw-material suppliers, either. Nonetheless, the association fulfilled its sales assignment by 111 percent. Unquestionably, the economic levers that the experiment brought into play worked. R. F. Rogoza, head of the confectionery association's planning department, noted that the supplying of raw material has also improved. But some deliveries still fail to be made, and because of this the association has to ask trade to revise contracts and change the assortment. After all, the association's need for such types of raw materials as molasses, extracts and condensed milk is being met by only 45 to 80 percent. Meeting commitments with respect to assortment is not as important for the enterprises that supply the raw materials as it is for the confectioners working according to the terms of the experiment. There is still no mutual accountability; it's as though one link is missing from the overall chain.

In comparison to the confectionery enterprises and sugar refineries, the bakeries operate under special conditions. As is known, the experiment is

based on the idea of stimulating high rates of production growth. The demand for bread has been met and, what's more, it fluctuates depending on the consumption of other foodstuffs. The untapped potential for improving the industry lies elsewhere: what needs to be done is to increase the output of high-quality products, the proportion of which is still not high in the association, and to expand the assortment.

This can be done by technically reequipping the enterprises and putting up-to-date equipment to use. The association now has a more sizeable production-development fund than it used to, although it is still plainly inadequate for the modernization of the baking processes. Larger capital investments are required, stressed A. I. Shuteyeva, deputy general director of the bakery-industry association.

The questions of forming and using incentive funds evoked extremely lively interest among participants in the round-table. Everyone noted the salutary nature of the innovations whereby moneys from the production-development fund that go unused during the year are not taken away, as they used to be, but remain in an enterprise's account. By accumulating them, it can carry out serious technical reequipment.

A Radical Change in Thinking Is Needed. The success of the experiment, like that of any undertaking, is decided by people. Improvement of the economic mechanism requires a restructuring of economic thinking from the bottom up, from worker to minister. Mass instruction, carried out at enterprises, would be useful in this connection, and a great deal would be achieved by providing personnel with special instruction at the UkSSR Ministry of the Food Industry's Institute for the Advanced Training of Executives and Specialists.

Certain changes also have taken place in economic work. Participants in the meeting noted that their enterprises had received the year's plan assignments in October instead of December or January, as often used to be the case. So they were able to convey the assignments to the shops and sectors in good time, and there was sufficient time to prepare for their fulfillment. The supplying of equipment and materials has also improved. Collectives working under the terms of the experiment have not been overlooked by the planning, economic-management and party agencies. Nonetheless, situations still occur rather frequently in which it seems that the right hand does not know what the left is doing. "We had the possibility," said R. F. Rogoza, of allocating an additional 140,000 rubles to the material-incentive fund. But only 31,000 was allocated. The financial agencies took the above-plan profits that the bakeries had obtained by increasing the output of top-quality products and deposited them in the state budget."

A clear violation of the principles of the experiment! And here is another fact, cited by A. I. Shuteyeva. Higher agencies require that bakery-industry associations report not just on the directive indices stipulated by the experiment but on indices that are not mandatory for enterprises working under the new conditions. The bakeries have reduced their management apparatus to the minimum, but mountains of documents are still being required of them.

A few words about managerial personnel. Since the enterprise has been granted greater independence than before, what is the sense of limiting the number of such employees? It turns out that a director can hire as many technologists as he deems necessary within the framework of the wage fund, but to hire an economist is a major problem. Wouldn't it be better to confirm maximum allocations for administrative and managerial expenses, so that an enterprise's management could decide on its own how many people it needs?

This year enterprises in a number of other branches, including those belonging to the country's food complex, are starting to work under the same conditions as the Ukrainian food-industry enterprises. This is why it is so important to make fuller use of the experience that has been gained in the Ukraine, in one of its largest oblasts, Kharkov.

At the meeting, A. I. Limanskiy, deputy chief of the Kharkov Obkom's Department of Agriculture and the Food Industry; V. V. Cherpakov, an instructor with the obkom; V. I. Naumenko, director of the New Ivanovo Sugar Refinery; V. S. Zhulinskiy, director of Bakery No. 1; L. G. Dovzhikova, director of the Volchansk Oil-Extraction Plant; and G. P. Yeremina, a shift chief at the same plant, shared their views of the experiment's progress and results, and of the problems that remain to be solved.

8756
CSO: 1827/112

CONSUMER SECTOR POLICY AND ECONOMICS

FLEXIBLE PRICE FIXING OF GOODS IMPROVES TRADE SERVICES

Moscow LITERATURNAYA GAZETA in Russian 23 Jan 85 p 12

[Article by V. Yershov: "Costlier or Cheaper?"]

[Text] Permission has been granted to sell especially fashionable articles at flexible prices, which are determined by the manufacturer, the store, and the purchaser. What does this provide?

When it was the turn of the next shopper, there wasn't any choice--the tomatoes, which were just turning yellow, were not a very appetizing sight. But the sales clerk, a lively girl with freckles, seeing that the line had started to melt away, did not lose her head: "Go ahead and buy some, they'll get ripe. They'll get red faster, if you put them in a boot... Go ahead, take some. Don't be shy. Look, they're on sale for half price". And she put up a new price tag. The box of yellow tomatoes was soon empty.

I was able to observe this scene at the market in one of the cities in the North. Whatever you say, she surprised me. It's not often that trade goes to meet the shoppers halfway, displaying such enterprise. But they were selling kolkhoz vegetables here, and the sales clerk evidently had the right to change the prices.

Four years ago, so-called contractual prices were put into practice in state consumer goods trade, for experimental lots of especially fashionable articles. The mechanism for establishing them resembles somewhat that which I'd observed at the kolkhoz market. Financial specialists and economists call these flexible prices. Both the manufacturer and trade determine them jointly, taking into consideration the quality of the goods, and their attractiveness. Determining the price is primarily based on demand, the season, and the fashion--that is, the opinion of the shopper. Retail prices are established in accordance with samples approved by enterprise and trade supervisors, without a long drawn-out coordination procedure.

In order to become more familiar with how flexible prices operate, I set off to Simferopol' Boulevard in the capitol, to the famous "Muzhskie Sorochki" [Men's Shirts] company store. It does not resemble an ordinary trade enterprise very much; it's more like a salon or an exhibit. There are no counters; there are no heaps of goods lying about; and you don't stand in line. But there are dozens of mannekins in the trade hall, all dressed up in rubashki. And there is a dazzling variety of styles, colors and models.

The act of buying and selling is unusual too. The sales clerk orders the wares by model, and transmits the information to a mysterious someone by telephone. Quick as a wink this "mysterious someone" fills the order. And people rarely walk out of the store without buying something. The men's shirts are produced by the collective of the "Moskva" garment-making association, and sell like hotcakes.

The sales clerks' workday was approaching its end, but the store was as crowded as ever. In addition to the regular sales, they were "running in" the latest models. The sales clerks were interviewing the shoppers, and were recording their answers on tape recorders. Do you like the shirt? Which color do you prefer? What size do you wear? The shoppers were obviously eager to answer all the questions—they understood that they were not asking these questions for nothing, not just to fill in the squares in some kind of report. And therefore, when it came to prices, the people gave it serious thought; they did not answer right away.

Indeed, how do you match up your desire to buy a fashionable item with the state of the family budget? Should you loosen the purse strings, or should you look for something a little cheaper? The surveys show that if the item—that very shirt—is really "out of the common run", most people are ready to pay for it.

The goods offered at contractual prices are as good as the foreign made in terms of quality. They are made from excellent materials; they are fashionable, well made and trimmed, and are unique in terms of fashion. And when, after thinking awhile, the shoppers name the sum which they'd spend for the model offered, it turns out to be a bit higher than an ordinary item of similar type costs, but nonetheless its' relatively inexpensive. Compare, for example, ladies' boots from certain foreign firms, and "Parizhskaya Kommuna" [Paris Commune]. Shoes of native manufacture, sold at contractual prices, are less expensive; and yet in terms of quality they are not a bit worse than the foreign-made. Sometimes they're even better. And it's for this reason above all that stylish women find them nicer.

Sale of goods at contractual prices is advantageous both to the shopper and to the manufacturer. The additional monetary savings which remain at the disposal of the labor collectives are used for bonuses for the workers who manufacture the fashionable goods, and are directed toward housing construction and socio-cultural measures.

A consumer survey, finding out the opinion of a fashionable item, is the usual method of establishing contractual prices. It has become such an ordinary thing for company stores that the manufacturing enterprises no longer hold a special survey for a given task. The sales clerks themselves find out everything about a new article. Their remarks, as well as the wishes of the consumers, are entered in special notebooks. Wide use is made of magnetic tape recorders for surveys everywhere. The data derived thereby are then sent to the trade and marketing department of the stores, where they are processed and summarized, and become the basis for the manufacturers' operations.

In order to establish a contractual price for any kind of model, each time no less than 500 people must be interviewed. It's not a simple matter, and it requires both time and effort; but how else can one establish "flexible" prices? After all, the consumers place rather rigid demands on the products which are sold to them. And especially fashionable articles should bear the mark of individuality of the hands of the master. This can be achieved only by producing articles in small lots. The consumer, who is paying more than ordinary, should be assured that the item will be part of his wardrobe alone. And in order to support such a demand, light industry has begun to set up small experimental shops and manufacturing projects.

Currently there are hundreds in the country. There is a small-lot shop in the Moscow "Zarya" Shoemaking Association. Here they make fashionable women's footwear--shoes, open-toe sandals, winter boots... The most modern equipment has been set up in the shop; it is manned by highly-skilled specialists; and fine-quality raw materials are used in manufacturing the goods. All production is sold only at contractual prices in company stores, and at those which have the right to operate at contractual prices. Over the past year the association has received significant additional profits from sales of these shoes.

In order for there to be as few miscalculations and misfires as possible, the association is sending the store a chart showing when new models are to come out. These data are recorded in a special card file. The experimental lots of shoes which are received for sale are accompanied by a so-called trip certificate, which contains the assignment for creating demand. This assignment is addressed primarily to the sales clerks. After 10 or 15 days this document is returned to the enterprise. The remarks reflected in it, although recommendations in nature, are as a rule carried out.

But that's still not all. The first lots of the new models are sold with the participation of specialists from the association--modelers and design engineers, who can answer all the customers' questions. At the same time a report is drawn up, which reflects all the consumers' remarks about the attractiveness of the article. Last year dozens of experimental lots of shoes were sold at the store in this manner. Of these, many were recommended for mass production; two were removed from production.

Contractual prices are a new matter. Therefore it's not surprising that over a rather short period, the procedure for establishing them has undergone quite a few changes. The volumes of the first lots of goods have been increased almost twofold. The manufacturing associations, enterprises and fashion houses have now been authorized to conclude contracts with trade organizations located in other republics, krays and oblasts for supplying their products. It was stipulated that if demand for the goods declines, the losses from reducing their prices will fall equally on the shoulders of the manufacturers and trade alike.

In order to increase production of experimental lots, not only is the work of the enterprises being reorganized, but also experimental production at the fashion houses. Calculation of amounts of profit from sales of goods at contractual prices is being changed. This has noticeably increased the

interest of the enterprises. And nevertheless, if one turns to the statistics, the proportion of goods sold at free prices is not large. Right now it amounts to one per cent in all of the total volume of products made by light industry enterprises. But then why is production being reorganized so slowly? What is delaying an increase in the output of fashionable, original articles?

The statute itself on the procedure for establishing prices requires a certain amount of clarification. Let's say that articles which are principally different from those manufactured previously can be sold at temporary prices. But how, actually, does one shirt differ in principle from another? One would think that the question of which models can be produced at contractual prices and which can't should not be regulated by a directive document. This is a matter for the contracting parties.

The marketplace is now rapidly becoming saturated with goods. That which not all that long ago was a deficit item, now lies freely on the counters of the stores. But people nevertheless cannot buy what they want. And this is natural: our demands and needs have increased sharply. Therefore, the quality and the newness of the articles, and whether they are fashionable or not, are becoming decisive matters for the purchaser.

9006
CSO: 1827/107

FOOD PROCESSING AND DISTRIBUTION

MEAT, DAIRY INDUSTRY DEPUTY MINISTER ON CHEESE PRODUCTION PLANS

Moscow MOLOCHNAYA PROMYSHLENNOST' in Russian No 1, Jan 85 pp 1-6

[Article by V. N. Sergeyev, USSR deputy minister of the meat and dairy industry: "The Improvement of the Quality of Cheese Is an Urgent Task"]

[Text] The concern for improving the Soviet people's prosperity has always been and remains at the center of the Communist Party's attention. The measures, which have been adopted by the party to improve agriculture and fulfill the Food Program in order to reliably provide the country's population with food products in the shortest possible time, are clear evidence of this.

The raw material capabilities of the dairy industry have been improved under the new conditions for managing the country's agro-industrial complex. Five million tons of milk more than in 1982 arrived in the branch's enterprises during 1983. This permitted the production of the main types of products to be significantly increased. The industry overfulfilled the 1983 state plan, additionally producing more than 130,000 tons of butter and about 30,000 tons of cheese. During the first 10 months of 1984, the industry has purchased 2.3 million tons of milk above the plan and has produced 659,800 tons of whole milk products, 65,200 tons of animal oil and 9,600 tons of cheese.

In implementing the decrees (1965 and 1974) that were adopted by the USSR Council of Ministers on increasing the production and improving the quality of cheese, the branch's workers have achieved a 2.5-fold increase in its production when compared with 1965. The per capita production of cheese grew from 1.3 kilograms in 1965 to 2.7 kilograms in 1983.

The further strengthening of the production and technical base contributed to this. The proportion of new (commissioned during the 8th-11th five-year plans) production capacities for producing rennet cheese is approximately two-thirds of the total amount of production capacities. This is testimony to the availability of large capacities for further expanding the branch. The concentration of production has been increased: The production of rennet cheese in one enterprise has grown on the average from 120 tons in 1965 to 700 tons in 1983, or 5.8-fold.

They have sharply expanded the production of cheese in the Ukrainian, Belorussian, Estonian, Lithuanian, Latvian, and Armenian republics. Several regions have been converted into very large cheese producers. Thus, the Altayskiy Kray is producing more than 34,000 tons of it a year, and the Krasnodarskiy -- 28,000 tons.

The production geography has been expanded. For example, Bashkiriya previously produced 2,700 tons of cheese a year all told, more than half of which was processed cheese. It is now producing 19,000 tons of cheese, including approximately 14,000 tons of rennet, or sevenfold more than in 1965.

In order to fulfill the Food Program targets, it is necessary to increase the production of cheese by no less than 40,000 tons annually during the remaining period. This is a large task, but it is a completely realistic one. The capacity now already exists to produce more than 800,000 tons of cheese a year with the more effective use of operating capacities.

Many cheese-making plants are steadily operating with 550-600 shifts when 447 shifts were operating in 1983 on the average in the country. Among them are the Maslyaninskiy Plant in Novosibirsk Oblast, the Bogucharskiy in Voronezh Oblast, the Veliko-Burlukskiy in Kharkov Oblast, the Gadyachskiy in Poltava Oblast, the Rokishkskiy in the Lithuanian SSR, and others.

At the same time, several enterprises have not been able to move to their designed capacity for a number of years. Among them are the Kamenskiy and Zarinskiy plants in the Altay Kray, the Atbasarskiy in Tselinograd Oblast, the Staritskiy in Kalinin Oblast, the Akhalkalakskiy and Dmanisskiy in the Georgian SSR, and several others.

In a number of cases, the main reasons for this are the low quality of the milk, the untimely preparation of the raw material zones, errors in planning, and failure to supply steam, refrigeration, water, and personnel.

The acceptance of enterprises for operation with construction defects and unfinished start-up adjustment operations and without the placing of the equipment under certificate working conditions is continuing because of the irresponsible attitude of some state reception commission chairmen and poor control by the union republic ministries of the meat and dairy industry and production associations.

Thus, the Slutskiy Cheese-Making Combine in Minsk Oblast, which has a capacity of 10 tons of cheese per shift with its ZTsM shop (12 tons per shift), was accepted for operation in 1982 with poorly made floors in the cheese ripening and storage chambers and an inoperative ventilation and heating system in the cheese-making shop. The imported production line for processing and packing the cheese is idle here. As a result, only 50 percent of its capacities is being used. Approximately 2,000 tons less of cheese was received in only one enterprise during 1983.

The ministry's collegium examined the question of improving the use of design capacities in 1984. An order was issued which provided for the taking of specific steps in each enterprise, which was lagging behind, to achieve the complete use of its capacities in the shortest possible time. Special attention was paid to the solution of social questions, primarily to the construction of housing for workers and specialists.

With the bringing of the shift system of work to 500 shifts -- on the average for the branch -- in 1990, the overall increase in the production of cheese using existing capacities can reach more than 50,000 tons a year.

In order to increase cheese production, it is necessary to make better use of cheese storage and the oil and cheese base. In 1983, the collectives of the Krasnoborskiy Cold Storage Plant; the Saratov, Volgograd and Zhitomir oil and cheese bases, and the Shyaulay Cheese Warehouse achieved three-four rotations when the average turnover rate for cheese warehouse capacities was 1.9 rotations a year for the industry. At the same time, this indicator is extremely low in the Yaroslavl and Dzhambul cheese warehouses, the Rzhnev Oil and Cheese Base and other enterprises. The task is to process more milk during the summer period by increasing the amount of ripening cheese in cheese warehouses and at oil and cheese bases. As calculations show, this would permit the output of cheese to grow by 20-25,000 tons a year.

Increasing the output of unripened soft and pickled cheeses, which do not require special chambers, should contribute substantially to the implementation of the Food Program. The Moldavian SSR (57 percent) and Ukrainian SSR (27.8 percent) ministries of the meat and dairy industry are now producing the largest percentage of them. In RSFSR and Latvian SSR enterprises, this indicator is only 10.3 percent; in the Belorussian SSR-- 8.7 percent, and in the Kazak SSR and Lithuania SSR-- 16 percent. It is planned to bring the production of unripened soft and pickled cheese to 130,000 tons in 1990, increasing its amount by 52,000 tons in comparison with 1983.

The growth in the production of processed cheese should be achieved by expanding its output in the dairy plants, cold storage plants and oil and cheese bases of cities and industrial centers. In this regard, special attention should be paid to its output using various vegetable, fish and other components and with a 20 percent fat content. A total of 68,000 tons, or 30 percent of the overall volume, of these cheeses were produced in 1983. It is planned to bring its output up to 100,000 tons in 1990. This will be 36 percent of the overall output.

In order to free rennet cheese resources, it is planned to increase the production of special cheese for melting up to 50,000 tons in 1990, i.e., by 30,000 tons in comparison with 1983.

The fulfillment of the Food Program tasks will directly depend on how active our work, which is aimed at increasing milk purchases and increasing its quality, will be. Within the framework of the agro-industrial complex it is

necessary to be resolute in achieving an increase in the production of high quality milk with an increased protein content and suitable for cheese-making and in increasing the receipt of cheese directly at production sites and its shipment using specialized transport. It is necessary to increase the production of cheese during the fall and winter period by expanding the raw material zones of the enterprises. At the same time, it is necessary to increase help to kolkhozes and sovkhoses in organizing the refrigeration of milk on farms and to increase deliveries of starter for siloing fodder to them.

Under the present conditions of systematically increasing the production of cheese, special attention must be paid to its quality, considering the wishes and claims of the buyers.

The collegium of the USSR Ministry of the Meat and Dairy Industry examined the matter of cheese quality twice during 1984. A ministry order approved a plan for measures that provided for increasing the quality of milk for cheese-making; improving technologies; and supplying enterprises with technological equipment, spare parts and packaging and other materials; and improving the training of personnel.

Our urgent task is to carry out this plan.

How do things stand with cheese quality at the present time?

The plan for producing the highest type of cheese was fulfilled in 1983; 73 percent of it was produced (in 1975 — 59.7 percent) and during the first nine months of 1984— 73.2 percent. Rennet cheese of high quality should be no less than 75 percent of the total amount in 1985; and in 1990— 80 percent. Many enterprises have already achieved good results in this. Among them are the Bystryanskiy Cheese-Making Plant in Altay Kray, the Poshekhonskiy in Yaroslavl Oblast, the Pervomayskiy and Kardonikskiy in Stavropol Kray, the Leningrad Cheese-Making Combine in Krasnodar Kray, the Belebeyevskiy Dairy Plant in the Bashkir ASSR, the Pokrovskiy Cheese-Making Plant in Dnepropetrovsk Oblast, the Rokishskiy and Pasval'skiy in the Lithuanian SSR, the Valmiyerskiy Dairy Combine and Tsesvaynskiy Cheese-Making Plant in the Latvian SSR, the Kalininskiy in the Armenian SSR, and the Tartuskiy and Vyruskiy dairy products combines in the Estonian SSR.

Work, which is aimed at improving the quality of the milk being stocked, improving the technical equipping of enterprises and their sanitary level and incorporating scientific achievements and the experiences of progressive enterprises, is being performed in the industry.

New bacteria starters and concentrates, the forming of cheese in special apparatuses, the cloth-free compaction, salting in containers, and ripening in polymer films are being more and more widely used.

A total of 211,000 tons of rennet cheese was produced in 1983 using bacterial concentrates, or 57 percent more than in 1980. The 12th Five-Year Plan provides for the construction of a special factory for their production.

The production of cheese using polymer films and coverings reached 300,000 tons in 1983, or 80 percent of its overall production volume. This indicator is higher than the average for the branch in the enterprises of the RSFSR, Belorussian SSR, Lithuanian SSR, and Latvian SSR ministries of the meat and dairy industry. At the same time, it is only 57 percent within the Kazak SSR Ministry of the Meat and Dairy Industry system and 65 percent in the Kirghiz SSR system. It is necessary to bring the production of cheese, ripened in polymer films and coverings, up to 450,000 tons in 1990.

A total of 129,000 tons of cheese were produced in 1983 using cloth-free compaction.

All-union and republic cheese quality competition inspections, working seminars and schools of progressive experience are regularly conducted in order to disseminate the experiences of progressive enterprises. These permanently operating schools have been organized in the Kalacheyevskiy Cheese-Making Plant in Voronezh Oblast, the Belebeyevskiy Dairy Combine in the Bashkir ASSR, the Novgord-Severskiy Plant in Chernigov Oblast, the Berezovskiy in Brest Oblast, the Bogdanovskiy in the Georgian SSR, the Valmierskiy Dairy Combine and the Vyruskiy Dairy Products Combine.

It is generally known that the quality of cheese depends to no small degree on the quality of the milk. More than 95 percent of the milk, which was laid in, was recognized as standard; of this, 79.5 percent was of first quality, 15.5 percent was of second quality and 5 percent was of low quality. The highest amount of first quality milk was received in the Estonian SSR -- 94 percent; the Lithuanian SSR -- 91 percent; the Ukrainian SSR -- 90 percent; and the Belorussian SSR -- 84 percent.

The joint labor of the workers in animal husbandry and the dairy industry in the area of training cadres of analyzers, laboratory assistants and farm managers; conducting public inspections of dairy farms; and helping them to organize the initial treatment of the milk, is playing a large role.

The control and production laboratories, which regularly publish surveys on these questions, check the sanitary condition of dairy farms and supply farm laboratories with vessels, chemical agents and instruction manuals, are providing good help to the industry in improving milk quality in the Ukrainian SSR, the Krasnodar and Stavropol krays and Volgograd and Smolensk oblasts.

Questions concerning milk quality are regularly examined in the Russian Federation in the councils of the oblast and rayon agro-industrial associations. This work is being performed in accordance with integrated plans which provide for joint inspections of the observance of sanitary rules in the receipt and initial treatment of the milk. Their results are discussed during sessions of the oblast worker's interdepartmental commissions for milk quality, and steps are taken to eliminate the revealed shortcomings. In 1984, 56,500 inspections of the sanitary condition of farms, 13,500 control milkings and 5,400 inspections of its quality were conducted in the federation's associations.

Experience shows that where the collectives of enterprises -- especially the foremen -- personally perform continuous work in the raw material zone, strictly observe the requirements in standard and technical manuals and incorporate the achievements of science and technology, the quality of the milk and cheese noticeably improves.

The Poshekhonskiy Cheese-Making Plant in Yaroslavl Oblast (the senior foreman is Hero of Socialist Labor G. A. Kamenskaya) regularly helps farms and produces starter for silage. In 1983, 96.6 percent of the milk received had an acidity of 16-18°T and 96.5 percent was of the first and second category based on bacterial impurities. In the plant, they check the milk for the presence of abnormal impurities and sort it based on the indicators of its suitability for cheese. A bacterial concentrate is used. As a result, all of the cheese produced is of the highest quality.

The workers in the Tsesvaynskiy Plant in the Latvian SSR (Yu. A. Lyuters is the senior cheese-maker foreman first class) conducts inspections every quarter for the quality of the milk. This involves a mandatory visit to the farms. They participate in the meetings of the livestock workers and publish surveys about the quality of the milk in the rayon newspaper. In 1983, 90 percent of the milk received was of the first quality. A total of 2,768 tons of Holland bar cheese was produced; 87 percent of it was of the highest quality. The cheese is ripened in the plant in a polymer film; bacteria-killing lamps and sorbic acid are used to treat its surface; and it is compacted in perforated forms.

At the same time, one cannot consider that the situation with cheese quality is nevertheless favorable. The following facts testify to this.

In 1983, the state trade inspectorates condemned as defective and decreased the quality rating of 780 tons of cheese, or 3 percent of the amount inspected. Its receipt was halted at 62 enterprises, including 34 in the Russian Federation and 25 in the Ukrainian SSR. A total of 2.6 million rubles of profit were removed in the state budget because of the production of poor quality cheese -- approximately 2 million rubles in the RSFSR and 0.4 million rubles in the Ukrainian SSR.

The Biyskiy and Aleyskiy oil-manufacturing and cheese-making combines in Altay Kray; the Kletnyanskiy, Starodubskiy and Suzemskiy cheese-making plants in Bryansk Oblast, the Starorusskiy in Novgorod Oblast, the Volochisskiy and Teofipol'skiy in Khmel'nitskiy Oblast, the Novobugskiy and Bashtanskiy in Nikolayev Oblast, the Piryatinskiy in Poltava Oblast, and the Oshmyanskiy, Khoynikskiy and Shchuchinskiy in the Belorussian SSR have produced cheese of low quality.

The situation did not improve in 1984. During the first nine months, 1,346 tons of cheese or 4.1 percent of the amount inspected, was lowered in quality or condemned as defective throughout the country in general. A total of 245 tons, or 5.5 percent, were condemned as defective in the enterprises of the Ukrainian SSR Ministry of the Meat and Dairy Industry. The Main

Administration for State Inspection for the Quality of Goods and Trade in the RSFSR halted the receipt of cheese in a number of plants and introduced special conditions.

The quality of the cheese which is being produced by Belorussian SSR enterprises, is not improving. The percent of cheese rejected as defective has increased in the enterprises of the Kirghiz SSR, Kazak SSR and Georgian SSR enterprises in comparison with 1983.

Inspections, which were conducted during 1983-1984, have established that technological and sanitary production conditions are being grossly violated, poor control is being exercised over the quality of raw materials and prepared products, and measuring instruments are in an unsatisfactory condition in a number of cheese-making plants. The standard content of fat, moisture and salt in the cheese and its sizes and weight are not being maintained; and the conditions for raising grain, forming, compacting, salting, and ripening are being violated. Monitoring of the pasteurization temperature, the quality of the starter, the pH of the cheese after compacting, and the temperature and moisture conditions in the cheese ripening and storage chambers is poor. Milk is not being normalized according to the protein titration standard everywhere; and new instruments, especially pH-meters are being introduced slowly.

Suitable milk, which possesses not only the necessary physical and chemical properties (a high content of protein, fat and dry substances) but also certain technological and biological qualities, does not contain harmful microorganisms and abnormal milk impurities and inhibitory substances, and has good rennet coagulability, is required for the production of cheese.

Meanwhile, a significant amount of unsuitable milk is arriving in the plants throughout the branch as a whole. It is possible to conclude from this that the industrial specialists and agricultural workers in many cheese-making rayons are achieving an improvement in the quality of raw materials poorly. Under favorable working conditions, it is necessary to achieve the complete supplying of plants with suitable milk within the agro-industrial associations.

The production of cheese requires from each foreman a thorough understanding of the essence of the phenomena that determine the quality of the product and the ability to make the best decisions depending on local conditions. Everything, however, should be within the framework of the approved instructions. Any deviation from them is impermissible. Only a strict observance of technological discipline, the rules of technical and microbiological control, sanitation, and personal hygiene of the workers guarantees the manufacture of high quality cheese.

The work in the area of putting the assortment of cheeses in good order based on all-union and republic standard and technical instructions should be completed in the near future. I have in mind the halting of the production of unprofitable and similar types of cheeses with imperfect equipment -- cheeses which require a great deal of production and labor expenditures and which are not in demand among customers.

The branch scientific and research institutes have done quite a bit to further increase production and improve the quality of cheese. The contribution of the scientists and designers to the solving of cheese-making problems is, however, clearly insufficient. Little basic work, aimed at improving product quality, especially at eliminating bitterness and crumbling, is being performed at the present time.

Practically no work is being done to establish modern methods for controlling the raw material, technological processes and prepared product. Analyses lasting up to 72 hours are being performed in the industry in order to determine the suitability of the milk for cheese-making. As a result, the test data is known after the tested milk has already been processed into cheese. Proximate instrument analyses to determine the suitability of the milk, including ones for rennet and fermentation tests, the presence of inhibitory substances and butyric acid bacteria, and other indicators, are extremely necessary.

A sore subject in cheese-making is the mechanization and automation of the technological processes. The branch still remains very labor-intensive in the dairy industry: 13,000 people, or half of the workers, are engaged in manual operations.

A great deal of the technological equipment, which is being produced by our domestic machine building for the production of cheese, lags behind the best known models in the world based on its technical level and the mechanization and automation of the processes. At the same time, the proportion of work in this area is only about 10 percent of the overall volume in the plans of the All-Union Scientific Research Institute for the Oil and Cheese Industry.

Cases are frequent where cheese is rejected as defective because of the aroma of petroleum products, which is transmitted from the SKF-15 alloy that has low quality. The development of a new alloy with improved properties is taking place extremely slowly -- for almost 10 years already.

It is time for the Uglich Scientific and Production Association to begin reviewing the technical instructions for the production of hard rennet cheese, which were developed 10 years ago. Science has marched forward during recent years, and definite experience has been accumulated in industry. It is necessary to consider all of this in the new instructions.

When developing a complex special-purpose scientific and technical program for improving the quality of cheese, the Uglich Scientific and Production Association must provide for the solving of such important problems as biological methods for controlling quality, improving the taste of the cheese, new and improved coatings, increasing the level of mechanization and automation in production, and developing new instrument-based methods for the physical, chemical and microbiological monitoring of the quality of the milk, prepared product and technological processes.

The primary task of the scientific and production association is to implement the mentioned program in Yaroslavl Oblast and in the areas where the institute's branches and departments for introducing new methods are located.

It is also necessary to develop, coordinate and submit for approval the "Cow Milk for Cheese-Making. Requirements During Procurement" specifications with a scientific justification for the improved indicators of its quality and also with proposals to stimulate the production of such milk considering the complete reimbursement of the farms for their expenditures.

It was pointed out during the April 1984 CPSU Central Committee Plenum that the success in the matter will depend to a decisive degree on personnel. Here, as nowhere else, an accurate and well thought out system is important in working with them. It is necessary to improve the work of selecting, assigning and training them. A great deal of importance is being attached to the training and re-training of personnel and to the formation of the required reserve for promotions. Taking into account the fact that personnel stability depends to a great extent on working and living conditions, the union republic ministries of the meat and dairy industry, associations and enterprises must display constant concern for the construction of housing and cultural and personal services projects and completely assimilate the resources that have been allotted for this purpose.

The central figure in cheese-making has been and remains the foreman. It is necessary to pay special attention to the training and re-training of cheese-making foremen. Beginning in 1985, it is proposed to revive the permanently functioning courses for raising their qualifications within the Uglich Scientific and Production Association. Courses will be organized for specialists in production associations and plants at the base enterprises.

The question of organizing training for engineer technicians in cheese production within educational institutions is being solved. The special-purpose training of this type of technician and product engineer will be conducted in seven branch technical institutes based on direct contracts with the enterprises.

In order to further improve the qualifications of dairy industry leading personnel and specialists within the associations and enterprises and to strengthen their responsibility for the production of high quality cheese, it is planned to certify them in 1985 for their knowledge of the requirements in standards, technical instructions, technical monitoring instructions, and basic equipment.

The leading workers and specialists, who do not demonstrate the necessary knowledge during the certification process, should be recertified over the course of three months or released from the positions, which they occupy, in the manner prescribed by the labor laws.

Comrade K. U. Chernenko, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, said in his speech to the CPSU

Central Committee Politburo meeting in November 1984 that the last two years have been marked by positive changes for the better in the work of practically all of the national economy's branches and that these improvements in the economy should be not only strengthened but also multiplied.

Guided by these instructions of Comrade K. U. Chernenko, it is necessary to analyze the style and methods of our work in a critical manner, increase efficiency, thoroughly study the state of affairs in each sector, and solve questions concerning the further expansion of production and the saving of material resources in a highly qualified manner so that we can work two days out of the year using the saved materials, raw materials and fuel.

All of this should be subordinate to a single goal -- successfully fulfilling the tasks of the country's Food Program, increasing the production of cheese, and improving its quality and variety so as to satisfy the population's requirements more fully.

COPYRIGHT: VO "Agropromizdat", "Molochnaya promyshlennost'", 1985

8802

CSO: 1827/114

END